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2nd edition

INTELLECTUAL PROPERTY LAW

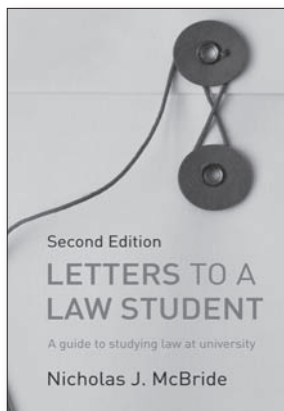
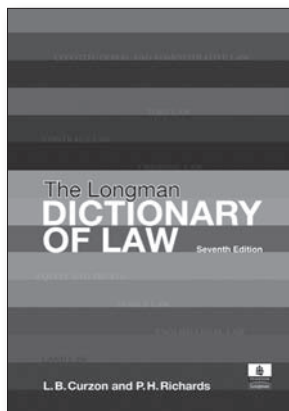
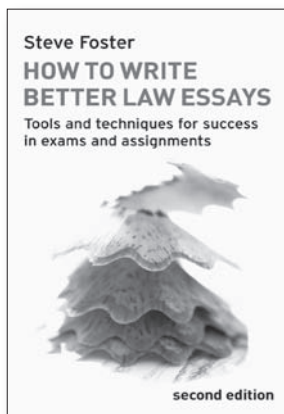
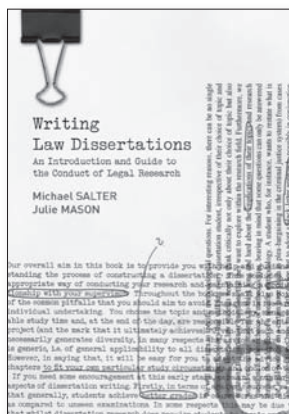
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- Interactive flashcards to help you revise the main terms and cases
- Printable versions of the topic maps and checklists
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Introduction

Intellectual property law is a demanding but enjoyable subject. It covers a range of rights, some of which have little in common with others. Students should keep in mind that, although some rights may be quite different to others, a number of rights may exist in respect of the same subject matter. For example, a new design of plastic bottle for tomato ketchup may be protected by design law (registered and unregistered), trade mark law and the law of passing off. The label attached to the bottle may be protected by artistic and literary copyright. Students are likely to get extra marks if they can demonstrate that they understand the overlap between the different intellectual property rights.

This book is a revision guide. It is intended to help focus students on the key areas in which they are likely to be examined. It also acts as an aide memoire, picking up key cases and statutory provisions. It is no substitute for textbooks and other materials with which students should be familiar. Students should also be aware that this revision guide cannot cover all the ground which may be covered in a module on intellectual property. For example, it has not been possible to cover areas such as rights in performances.

Students should frequently check the syllabus of the module they are taking and refer to lecture notes, handouts and virtual learning materials provided by their lecturer and module leader. As intellectual property is such a big subject, most lecturers are likely to concentrate on some parts of the subject and deal with others in less detail. By reviewing the content of the course as taught or subject to directed learning, students will have a much better idea of the areas they are likely to be examined on. Past examination papers also provide a rich form of guidance but students must be aware that, in a fast moving subject like intellectual property, older examination questions may have been overtaken by recent developments.

It is certainly worthwhile attempting questions in past examination papers but, if not sure about the current relevance of particular questions, students should consult their lecturers if there is any doubt about this. Ideally, students should attempt past examination questions after getting to grips with the subject area. Allow the time

permitted in the examination and go through the answer afterwards critically, seeing how the answer could be improved.

The companion website to this book contains numerous multiple-choice questions which you can attempt and compare your answers with the correct answers. There are also some sample essay and problem questions which can be attempted and then compared with model answers also available on the website under student resources.

Inevitably, during the teaching of a module, there will be legislative changes to and/or important cases on intellectual property law. Examiners are impressed with students who show that they have taken the trouble to look up and understand the latest developments. Students should also be reminded that it is well worth reading the judgments in important House of Lords (now the Supreme Court), Court of Appeal and European Court of Justice cases on intellectual property. Taking the trouble to read judgments and other materials such as journal articles will usually reward the student by giving him or her a deeper understanding of the subject.

REVISION NOTE

Things to bear in mind when revising intellectual property law:

- Problem questions can be quite complex and it might be worthwhile drawing a 'mind map' or making a list of relevant dates before attempting the question. Spend a little time ensuring you understand the question.
- Essay questions often require students to consider policy issues or unsatisfactory areas such as software patents.
- Exam questions are not an excuse to write down everything you know about a particular area – answer what the question asks, not what you wished it had asked.
- Make full use of the recommended textbooks and other materials your lecturer suggests. Do not rely on this revision guide to learn the subject.
- Make sure you understand the main legislative provisions dealing with matters such as subsistence, requirements for registration, authors, designers and inventors, ownership and entitlement, duration, infringement and defences.
- Seek advice from your lecturer about what you should revise. Most lecturers are very happy to give advice, guidance and feedback.
- Do not 'cherry-pick', only revising part of the syllabus. Questions on intellectual property often cover a wide range and may include a number of different

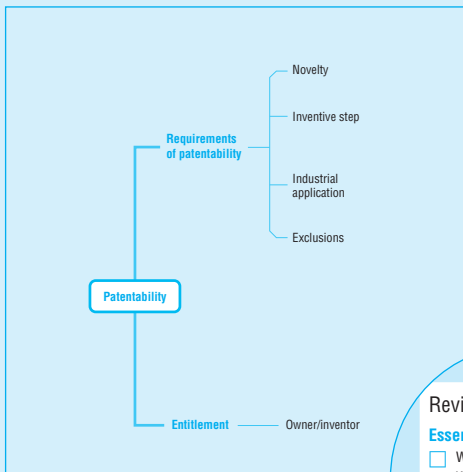


intellectual property rights. Only omit revising a particular part of the syllabus if your lecturer has expressly confirmed it will not be examined.

- Attempt past examination questions and review how your answer could be improved. Some lecturers are happy to look at your attempts and to give you feedback. But make sure you do not waste time attempting past questions that are no longer relevant because of changes in the law.

Before you begin, you can use the [study plan](#) available on the companion website to assess how well you know the material in this book and identify the areas where you may want to focus your revision.

Guided tour



Sample questions – Practice makes perfect! Read the question at the start of each chapter and consider how you would answer it. Guidance on structuring strong answers is provided at the end of the chapter. Try out additional sample questions online.

Assessment advice – Not sure how best to tackle a problem or essay question? Wondering what you may be asked? Be prepared – use the assessment advice to identify the ways in which a subject may be examined and how to apply your knowledge effectively.

Don't be tempted to... – Underline areas where students most often trip up in exams. Use them to avoid making common mistakes and losing marks.

Topic maps – Visual guides highlight key subject areas and facilitate easy navigation through the chapter. Download them from the companion website to pin to your wall or add to your own revision notes.

Revision checklists – How well do you know each topic? Use these to identify essential points you should know for your exams. But don't panic if you don't know them all – the chapters will help you revise each point to ensure you are fully prepared for your exams. Print the checklists off the companion website and track your revision progress!

Revision checklist

Essential points you should know

- ☐ What is meant by 'novelty'
- ☐ What will destroy novelty
- ☐ What an enabling disclosure is
- ☐ What constitutes an inventive step
- ☐ What material a skilled person should know
- ☐ What inventions are capable of being patented
- ☐ Who is entitled to claim

Sample question

Could you answer this question? Below is a typical essay question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample problem question and guidance on tackling it can be found on the companion website.

ASSESSMENT ADVICE

There may be a question that incorporates patentability in your examination. Novelty may include issues of confidentiality and the date of filing. Inventive step may involve what appears to be a routine development rather than an inventive step. The issue of industrial application may need some discussion about the actual construction of the claim. Sometimes the facts seem to be very scientific, which can appear daunting but remember, you are not being asked to understand the science, you are being asked to apply the law. If you do this clearly and appropriately you should gain a good mark.

! Don't be tempted to...

To avoid being regarded as part of the state of the art the invention must not have been made available to the public in any way, anywhere in the world, at any time before the priority date. If it has it will have become part of the state of the art and thus novelty will have been destroyed. There are problems in what constitutes the 'use' that needs to be made of the invention to amount to making it available to the public, so you should consider this carefully.

Make your answer stand out – Illustrate sources of further thinking and debate where you can maximise your marks. Use these to really impress your examiners!

✓ **Make your answer stand out**

Section 2(3) is intended to prevent double patenting. Where disclosure is assumed to be made by another to quickly explain that you understand the applicable only to the issue of novelty and n

KEY CASE

Lux Traffic Controls Ltd v Pike Signals Ltd [1993] RPC 107 ChD

Concerning: what use amounts to disclosure to the public

Facts

It was claimed that a temporary traffic signal was not 'new' because it had been made available to the public in a paper, by oral disclosure and by the use of a prototype which had been tested in public in Somerset.

Legal principle

Prior publication must contain clear and unmistakable directions to do what the patentee claims to have invented; a signpost will not suffice. Where prior use is concerned there is no need for a skilled person to actually examine the invention

Key cases and key statutes –

Identify the important elements of the essential cases and statutes you will need to know for your exams.

KEY STATUTE

Section 3 Patents Act 1977

'An invention shall be taken to involve an inventive step if it is not obvious to a person skilled in the art, having regard to any matter which forms part of the state of the art ...'

Key definitions – Make sure you understand essential legal terms. Use the flashcards online to test your recall!

KEY DEFINITION: The skilled person

The skilled person is an unimaginative person, or team of uninventive people, with the common general knowledge available to a person in the field at the date of filing. They will only think the obvious and will not question general assumptions.

Glossary – Forgotten the meaning of a word? This quick reference covers key definitions and other useful terms.

Glossary of terms

The glossary is divided into two parts: key definitions and other useful terms. The key definitions can be found within the chapter in which they occur, as well as here, below. These definitions are the essential terms that you must know and understand in order to prepare for an exam. The additional list of terms provides further definitions of useful terms and phrases which will also help you answer examination and coursework questions effectively. These terms are highlighted in the text as they occur but the definition can only be found here.

Exam tips – Feeling the pressure? These boxes indicate how you can improve your exam performance and your chances of getting those top marks!

EXAM TIP

Using headings when dealing with issues such as disclosure and enablement will ensure that you do not confuse them. Your reader will also understand that you know they are two separate concepts.

Revision notes – Highlight related points or areas of overlap in other topics, or areas where your course might adopt a particular approach that you should check with your course tutor.

REVISION NOTE

When considering novelty, remember that disclosures made in confidence will not become part of the state of the art. You should refer to Chapter 4 on confidentiality in relation to non-disclosure agreements.

Guided tour of the companion website



Book resources are available to download. Print your own **topic maps** and **revision checklists**!



Use the **study plan** prior to your revision to help you assess how well you know the subject and determine which areas need most attention. Choose to take the full assessment or focus on targeted study units.



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All of this and more can be found when you visit www.pearsoned.co.uk/lawexpress

Tables of cases, statutes, statutory instruments, European Community legislation, and conventions

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European Patent Convention 1973 **173**
Art. 52 **172–3**
Art. 52(2) **173, 174**
Art. 52(3) **173**
Art. 69 **88, 92**
Protocol **85, 88**
Universal Copyright Convention 1952 **13**

Copyright subsistence

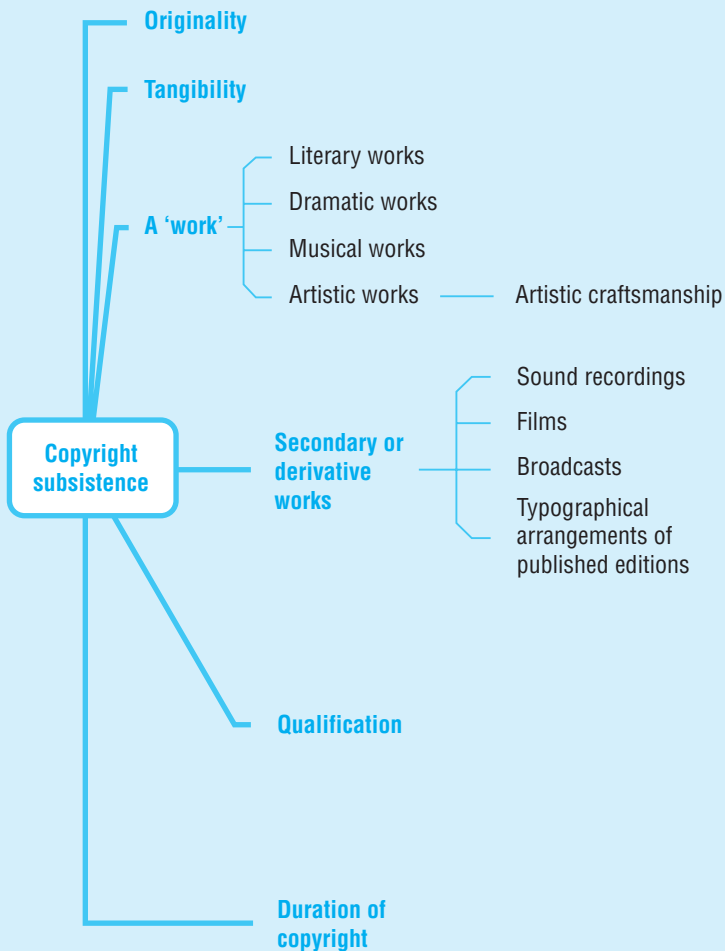


Revision checklist

Essential points you should know:

- ☐ What amounts to originality
- ☐ What constitutes fixation
- ☐ What amounts to a copyrightable work
- ☐ What are secondary or derivative works
- ☐ The qualification requirements
- ☐ The duration of the copyright term

■ Topic map



■ Introduction

Copyright does not protect the idea but the independent expression of the idea.

Copyright does not create monopolies. It is intended to prevent others, for a defined period of time, from taking unfair advantage of a person's creative efforts. What will be protected is stipulated in the Copyright, Designs and Patents Act 1988. Although original literary works, films and sound recordings are all included, not all creative efforts are protected under the Act. This does mean that some highly original creations fall between the lines. The owner of the copyright has the exclusive right to do, or licence others to do, certain acts in relation to the work. Apart from where certain exceptions exist, they may sue for infringement and obtain remedies such as an injunction and damages.

ASSESSMENT ADVICE

Essay questions A possible essay question may ask you to discuss the difficulty in establishing a work of artistic craftsmanship. Keep in mind any other forms of IP protection such as design right that could be available as an alternative to copyright protection. Another essay question could relate to the gap in protection for creative ideas seen in the *Norowzian* case and the split between the idea and the expression of a work.

Problem questions A problem question could include a scenario where a work is put into tangible form by another, where there is a trivial or *de minimis* work or a work with no artistic merit. There may also be an issue raised relating to sound recordings including qualification and duration issues on both derivative and original works.

■ Sample question

Could you answer this question? Below is a typical essay question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample problem question and guidance on tackling it can be found on the companion website.

ESSAY QUESTION

The formats of television game shows and reality programmes, such as *Pop Idol* and *Big Brother*, are inadequately protected by copyright in the UK. The time is right to introduce format rights as a new type of copyright work.

Discuss with reference to decided cases.

■ Originality

Not all creative effort is protected. For protection the output must fall into the category of 'works' and must be **original**.

KEY STATUTE

Section 1 Copyright, Designs and Patents Act 1988

A property right subsists in original literary, dramatic, musical and artistic works as well as sound recordings, films, broadcasts and typographical arrangements of published editions.

KEY DEFINITION: Original

The work has originated from the author and has not been copied from another work.

Originality for copyright purposes does not demand the novelty or innovation required in order to obtain a patent. For copyright, original means that the work originated from the **author**, its creator; it has not been copied from another's work. This is a very low but minimum standard. A one-line drawing would be regarded as too trivial to merit copyright protection.

KEY CASE

***Interlego AG v Tyco Industries Inc* [1989] 1 AC 217, HL**

Concerning: whether small modifications made to existing drawings of 'Lego' bricks gave rise to a fresh copyright

Facts

The original Lego bricks had had a patent and were registered as a design but these had expired. Some changes had been made to the design and these later bricks were being copied by Tyco. Lego claimed copyright infringement.

Legal principle

For copyright to exist there must be an original work. Even though modifications are technically significant, if they are not visually significant they would not give rise to a new copyright.

To hold otherwise would result in the possibility that copyright, in what was essentially the same work, could be extended indefinitely by merely making minor changes. Facts are not protected and a name such as Exxon cannot be subject to copyright even if a lot of work has gone into its creation. However, it has been held that headlines on an internet website could be a literary work.

EXAM TIP

Show an awareness of the practical consequences of copyright protection by pointing out that the failure to grant copyright for a single word is not just due to the *de minimis* principle. The intention in *Exxon* was to obtain greater protection over a range of goods via copyright than mere registration as a trade mark would have provided. There is also a public interest in preventing the control of words or phrases that should be available for all to use without fear of copyright infringement.

Tangibility

Copyright does not protect ideas, only a particular expression of an idea. Artistic works will usually be in tangible form, otherwise they could not be seen, but they do need some sort of surface to exist upon. In order to protect an idea in a literary, dramatic or musical work the expression must be recorded in a permanent form. This can be in writing or in any other way. All new methods of recording or fixation are covered in the Act.

1 COPYRIGHT SUBSISTENCE

KEY STATUTE

Section 3(2) and (3) Copyright, Designs and Patents Act 1988

Copyright does not subsist in a literary, dramatic or musical work unless and until it is recorded in writing or any other way. It is immaterial whether the work is recorded by or with the permission of the author.

There will be no copyright in an impromptu speech or a tune devised while playing the guitar unless they are recorded. The recording can be made by anyone, even without the permission of the author. On recording, fixation will take place and copyright will spring into existence.

REVISION NOTE

Who is the first owner of the copyright will be determined by who is the author of the work. Please refer to Chapter 2 on authorship and ownership.

KEY CASE

***Walter v Lane* [1900] AC 539, HL**

Concerning: the existence of copyright in an impromptu speech

Facts

The Earl of Rosebery made a speech. A reporter for *The Times* recorded it verbatim in shorthand, adding nothing apart from his reporting skills. The speech was published in *The Times* and copied by another. The issue was whether *The Times* had a right to sue for infringement.

Legal principle

The speaker was the author of the written work for copyright purposes. The reporter, having used skill and judgement in recording the speech, adding structure and punctuation, was the author of that report of the speech.

If the reporter had taped the speech on a tape machine he would have had copyright in the sound recording.

**Don't be tempted to...**

It does seem difficult to understand that fixation can be made even without the knowledge or licence of the author of the 'work'. Make sure, however, that you do not confuse the situation of a secretary taking dictation, where they will not obtain copyright in the written work, and the reporter in *Walter v Lane*. Due to the reporter expending extra skills in the reporting of the speech, copyright vested both in the author the Earl, and the reporter. If the reporter had only taken down some ideas expressed in the speech there would have been no fixation of the expression of Lord Rosebery.

A 'work'

The Act is very specific about what can be protected.

Literary works

KEY STATUTE

Section 3(1) Copyright, Designs and Patents Act 1988

A literary work is any work, other than a dramatic or musical work, which is written, spoken or sung, and includes a table or compilation (other than a database), a computer program, preparatory design material for a computer program and a database.

'Literary work' covers a work which is expressed in print or writing, irrespective of its quality. No merit is required. Compilations of literary works are protected but only if they are written. There is no protection for compilations of drawings.

Dramatic works

KEY STATUTE

Section 3(1) Copyright, Designs and Patents Act 1988

'A "dramatic" work includes a work of dance or mime.'

1 COPYRIGHT SUBSISTENCE

The dialogue of a dramatic work on its own is protected by literary copyright. A work of mime without words can be protected as a dramatic work. But there can be problems with outputs that do not fit the criteria of ‘work’.

KEY CASE

Norowzian v Arks Ltd [2000] FSR 363, CA

Concerning: what constitutes a dramatic work

Facts

Mr Norowzian made the film *Joy*. It showed a man dancing and used ‘flash framing’ and ‘jump cutting’ (removing bits of film). Due to these editing techniques the dancing looked surreal. The man was doing things that in real time he could not have performed before an audience, hence this was not a dramatic work and was incapable of copyright protection.

Legal principle

The content of the film can be a dramatic work if it is ‘*a work of action with or without words or music which is capable of being performed before an audience*’. A film itself can be a work of action and be performed before an audience.

A film is a dramatic work distinct from the script. Rhythm, pace and movement are ideas, and cannot be protected as only the specific expression of the idea is covered. A similar problem of ‘slipping through the net’ is found in TV game-show formats. Often these comprise stock phrases or events which are interjected at appropriate times. For copyright to arise there must be fixation, a script recorded in permanent form. This is not appropriate to game-shows, which are expected to be spontaneous.



Don't be tempted to...

Be careful not to assume that all creative effort is protected by copyright. If the purpose of copyright is to protect creative effort, it is not doing so. By being so prescriptive in what is a ‘work’, UK copyright law may fail to provide protection for all creativity.

Musical works

For copyright purposes music and lyrics are separate. Lyrics are protected as literary works, so what is left is the music. The copyright can be owned by different people and expire at different times.

KEY STATUTE

Section 3(1) Copyright, Designs and Patents Act 1988

'A musical work is one consisting of music, exclusive of any words or action intended to be sung, spoken or performed with the music.'

There is, as with most of the other 'original' works, no quality requirement, and even a few notes may attract copyright. They must, however, be original. They may still be regarded as original musical works even if they are based on an existing piece of music. Such adaptations or transcriptions will attract their own copyright if the minimum amount of skill and labour has gone into their creation. It may be found, however, that the adaptation or transcription is infringing the copyright in the earlier musical work if made without the permission of the owner.

KEY CASE

***Hyperion Records Ltd v Sawkins* [2005] RPC 808, CA**

Concerning: whether a new copyright had been created by substantial editing

Facts

Dr Sawkins wrote new performing editions of some musical compositions that had gone out of copyright. He added some new aspects and changed some notes to make them possible to play. Hyperion rerecorded the music without the permission of Dr Sawkins, claiming that there was no copyright as it had expired. They were found to be infringing Sawkins's copyright.

Legal principle

This was not merely transcription. The notes are not the only expression that is protected by copyright. Other elements contribute to the sound of the music when performed and they can be protected if they are the product of an author's effort, skill and time.

**Make your answer stand out**

The distinction between interpretation and composition is a difficult one to make. For a clear summary of the problems associated with musicologists working on old material and whether what they are doing amounts to authorship or editing, see Groves (2005).

Artistic works

Copyright subsists in an artistic work irrespective of artistic quality. It will cover purely utilitarian or functional works as well as 'works of art'. This is not the case with works of artistic craftsmanship, where more than originality and fixation is needed for copyright to arise.

KEY STATUTE

Section 4(1) and (2) Copyright, Designs and Patents Act 1988

An artistic work means a graphic work (painting, drawing, diagram, map, chart or plan), a photograph, sculpture (which includes a cast or model made for the purposes of sculpture), collage, all irrespective of artistic quality. It also includes a work of architecture (a building; a fixed structure or a model for a building) or a work of artistic craftsmanship.

We can see that the meaning of 'sculpture' is very wide but it must be a three-dimensional work and some regard has to be had to the normal use of the word. The wooden models used as a mould to make the Frisbee were held to be sculptures but this has been questioned. There have been attempts to demand that a hand of a sculptor must be involved in the creation of a sculpture. There must be an underlying intention that the three-dimensional object have some visual appeal but it need not have artistic worth. Being functional in addition to having visual appeal will not prevent an object from being a sculpture. Purely functional items such as the helmets worn by the Imperial Stormtroopers in the *Star Wars* films were not held to be sculptures but could have been protected under unregistered design law.

Artistic craftsmanship

Many items could be regarded as works of craftsmanship, such as jewellery or hand-knitted jumpers. By including the word 'artistic' in s 4(1) some artistic quality is obviously required in order to gain copyright protection.



Don't be tempted to...

Artistic works, especially artistic craftsmanship, present a category that causes special problems because it overlaps with design law. Make sure that you make it clear that the relationship between copyright and design law is *not at all* clear-cut.

KEY CASE***George Hensher Ltd v Restawhile Upholstery Ltd [1974] AC 64, HL***

Concerning: what is needed to be a work of artistic craftsmanship

Facts

The claimant made a rough prototype for a suite of furniture in order to show how it was going to look when produced. The defendant copied the prototype and was unsuccessfully sued for copyright infringement as the work did not fit into the category of artistic craftsmanship.

Legal principle

There was no one legal principle to determine artistic craftsmanship, but solutions offered by the court were:

- (1) It must give pleasure and be valued for its appearance.
- (2) It is up to the court to decide after talking to expert witnesses.
- (3) The author must be consciously trying to create a work of art.
- (4) There must be genuine craftsmanship involved.

It seems that the designer must be trying to make the product have some artistic or at least aesthetic appeal. Alternatively, it must give pleasure to others, possibly due to its skilled craftsmanship. Such an intention of course could not have existed when making a rough mock-up. We are left with a considerable amount of uncertainty in this area.

REVISION NOTE

Even though many of these more industrial works will fail to be classed as works of artistic craftsmanship they may be protected either as UK or Community registered designs or under the unregistered design right. See Chapter 7.

■ Secondary or derivative works

Sound recordings, films and broadcasts

Derivative works are usually, but do not have to be, based on original works which may have their own separate copyright. Derivative works typically protect the entrepreneur rather than the author of a work. It is the entrepreneur who will take any infringement proceedings if the work is copied. There is no requirement that these

1 COPYRIGHT SUBSISTENCE

works be original but they must be recorded. The definition of recording is broad, to allow for the development of new technologies.

Sound recordings

KEY STATUTE

Section 5A Copyright, Designs and Patents Act 1988

(1)(a) 'Sound recordings must be a recording of sounds from which sounds may be reproduced'

A sound recording of for example birdsong, not a 'work' as defined under the Act, would also gain protection. There is no quality requirement.

Films

KEY STATUTE

Section 5B Copyright, Designs and Patents Act 1988

Film means a recording on any medium from which a moving image may be produced. The soundtrack accompanying a film is part of the film.

As well as the 'medium', the video tape or celluloid, being protected, a film is also protected as a dramatic work (*Norowzian v Arks*). The soundtrack of a film is regarded as part of the film. There is, however, copyright only in the master copy of the film or sound recording. This prevents a potential everlasting copyright which would otherwise result if a new copyright arose every time a CD or video tape is reproduced.

Broadcasts

KEY STATUTE

Section 6 Copyright, Designs and Patents Act 1988

Broadcast means an electronic transmission of visual images, sound or other information which is transmitted either for simultaneous reception by members of the public and capable of being lawfully received by them, or transmitted at a time determined solely by the person making the transmission for presentation to members of the public.

Most forms of internet transmission are not regarded as broadcasts, being excluded by section 6(1A). However, conventional radio or television broadcasts are included. No fixation is required. Satellite broadcasts by their very nature can reach other countries. They may there be rebroadcast to further countries before being finally broadcast to the public. They are regarded as broadcasts even if they are encrypted, as long as the public has had the decoding equipment lawfully made available to them. The law governing the broadcast is to be that of the country from where the original broadcast was made, the up-leg.

Typographical arrangements of published editions

A book may be of an original work but the typographical arrangement, the layout, font and lettering of the page, will attract its own separate copyright. This copyright will exist even if the original work is out of copyright unless it is a mere copy of a previous text. The whole book, dramatic or musical work is protected. This means the entire 'between the covers' work. So taking an article from a newspaper is not an infringement of the typographical arrangement as it is not sufficiently substantial.

■ Qualification

Works have to pass one more hurdle in order to gain copyright protection in the UK. Not only must the work be original and in tangible form but it must also be a qualifying work. Due to the Berne Convention, the Universal Copyright Convention and the TRIPS agreement authors connected with another Member State are to be treated in the same way as a Member State's own authors and should receive the same copyright. Either the author of the work, or the country of first publication (so the work must actually be published), or, in the case of a broadcast, the country of first transmission must have some connection with a Member State.

KEY STATUTE

Sections 154 and 155 Copyright, Designs and Patents Act 1988

A work will qualify for copyright protection either if the author is a British citizen, domiciled or resident in the UK or a body incorporated under the law of the UK or a qualifying country or if the work was first published or published simultaneously in a qualifying country.

Either the author has a connection with a qualifying country or the work was first published in a qualifying country. Even if the work is first published in a non-qualifying country it will be regarded as first published for qualification purposes if it was then

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published in a qualifying country within 30 days of that initial publication. To amount to publication sufficient copies must be issued to the public to satisfy reasonable demands. So if the public shows little demand for the work, few copies need be made available to qualify for publication status.

■ Duration of copyright

The duration of copyright in most of the 'original works' and in films is life of the author plus 70 years, at least 50 years for sound recordings, 50 years for broadcasts and 25 years for typographical arrangements of published editions. The duration of copyright in certain types of artistic works that have been commercially exploited is also 25 years.

■ Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.
- ☐ Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the essay question at the start of the chapter.

Approaching the question

This is a reform type question. This means that you must talk about what the law is and any weaknesses that exist in it at the present.

Important points to include

- Some of the further reading below would be helpful in answering this question.
- The key case which indicated that TV show formats were not adequately protected by copyright was the Privy Council decision in *Green v Broadcasting Corp of New Zealand* [1989] RPC 700, the *Opportunity Knocks* case. This is a useful starting point for the discussion.
- Identify in that case why the format was not protected. For example, written scripts had not been produced in evidence and the format as claimed was described as being too uncertain.
- Consider and discuss other cases such as *Norowzian v Arks (No 2)* [2000] FSR 363, the ‘jump-cutting’ film.
- Note that lack of protection means that countries such as the US, Australia and New Zealand can copy formats of UK TV shows. For example, New Zealand makes *Popstars* which is very similar to *Pop Idol*.
- It would be useful to consider cases on non-literal copying, such as *Nova Productions Ltd v Mazooma Games Ltd* [2007] RPC 25 and *IPC Media Ltd v Highbury Leisure Publishing (No 2)* [2005] FSR 20, where what was being claimed in reality was that the format of the video game and glossy magazine had been copied.



Make your answer stand out

- Consider what, if anything, producers of TV shows could do to acquire some protection through copyright law.
- Set out your views on whether copyright should be extended to include formats as a distinct type of copyright and the implications this might have, for example, by making it difficult to bring out rival ‘copycat’ shows.

READ TO IMPRESS

Clark, S. (2009) '*Lucasfilm Ltd and Others v Ainsworth and Another*: the force of copyright protection for three-dimensional designs as sculptures or works of artistic craftsmanship', EIPR 384.

Gravells, N. (2007) 'Authorship and originality: the persistent influence of *Walter v Lane*', IPQ 267.

Groves, P. (2005) 'Better than it sounds: originality of musical works', Ent LR 20.

Klement, U. (2007) 'Protecting television show formats under copyright law – new developments in common law and civil law countries', 2 EIPR 52.

Steffensen, T. (2000) 'Rights to TV Formats – from a copyright and marketing law perspective', Ent LR 85.

NOTES

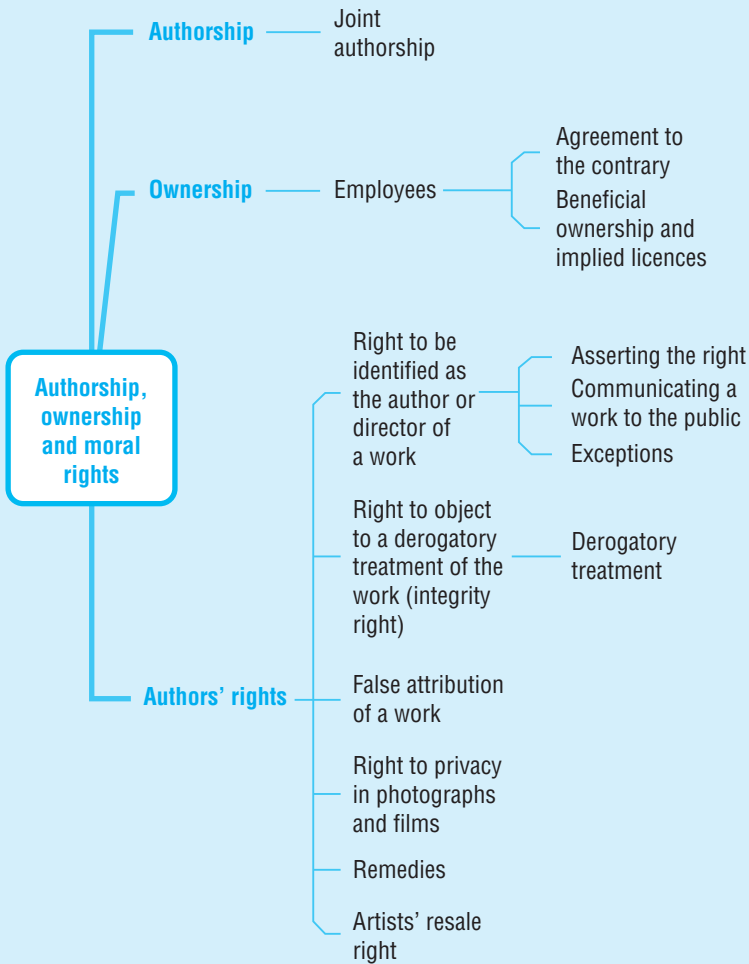
Authorship, ownership and moral rights

Revision checklist

Essential points you should know:

- ☐ Authorship and joint authorship
- ☐ Author or employer as first owner
- ☐ The paternity right
- ☐ The integrity right
- ☐ False attribution of a work
- ☐ Right to privacy in photographs and films

■ Topic map



■ Introduction

The identity of an author will determine first ownership and consequently the duration of both the copyright and moral rights in the work.

In order to exploit copyright you must have the right to do so by ownership or licence. The author, the person who creates the work, is normally the first owner of the copyright. However, if the work was created in the course of employment, the employer will usually be the first owner of the copyright. Two independent rights exist: moral rights, which may be retained by the author even though ownership has been assigned, and an economic right, the right to exploit the work. The owner or author may exploit the work himself or may license (retaining ownership), or assign (transferring ownership), the copyright to another.

ASSESSMENT ADVICE

Essay questions An essay question may well ask you to consider the weakness of the moral rights that have been given to authors in the UK. The vulnerable bargaining position of the author and the fact that many of these rights can be waived is of significance. You must keep in mind when answering such a question that very strong rights for authors reduce the efficiency with which the entrepreneur can exploit the work that has been assigned to him. Strengthening the moral rights may have an impact on the willingness of the entrepreneur to commercialise the author's work in the long term.

Problem questions Many copyright works are created by employees during the course of their employment. It is highly likely that there will be some issue relating to the rights of first ownership in any problem question set in this area. Problems around unintentional joint authorship may also be included and you must be able to establish clearly the elements that are needed to be regarded as a joint author rather than a mere provider of ideas.

■ Sample question

Could you answer this question? Below is a typical problem question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample essay question and guidance on tackling it can be found on the companion website.

PROBLEM QUESTION

Adrian wrote the music and lyrics for a song called 'Bad'. Having trouble with the drum beat he heard Betty, a carpenter, hammering in the house next door. Inviting Betty into his studio he asked her to hammer while he played the tune in time to her rhythm. He recorded the resulting music. Adrian sold the song to BMI but is upset that they have made his 'Grime' music into a ballad. He feels that his reputation as a 'Grime' musician has been destroyed. Adrian has discovered that Chris has produced a CD in which Adrian is falsely said to be the author of the song 'Nasty'. Betty has seen that one of her wedding photographs taken by 'Happy Day Photos' is featured on the cover of Chris's CD.

Discuss.

■ Authorship

The author of an original work is the person who created it. The author of a compilation is the person who gathers or organises the material contained within the compilation, while each separate contribution will have its own separate author.

KEY STATUTE

Section 9(1) Copyright, Designs and Patents Act 1988

The author is the person who created the work. Depending on the type of work, this includes the producer, the director, the person making a broadcast, the publisher or the person who made the arrangements necessary for the creation of the work. A work will be held to be of unknown authorship if it is not possible to identify the author after making reasonable enquiries.

The author is the person who puts in the right sort of effort, skill and labour into the creation or expression of the work. There must be that essential creative input, a 'direct responsibility for what actually appears on the paper'. An amanuensis or secretary taking dictation, although responsible for fixation, is not the author of the work.

REVISION NOTE

Please refer to Chapter 1 for discussion on fixation and the case of *Walter v Lane*.

It is easier to determine the author of an original work than the author of a derivative work. On the whole, the author of a derivative work is the person who makes the necessary arrangements for the making of the work. This would be the producer of a sound recording or the producer and principle director of a film, the person making a broadcast and the publisher of the typographical arrangement of a published edition.

Joint authorship

If people have collaborated so that it is impossible to identify each author's contribution, this will result in a work of **joint authorship**.

KEY STATUTE

Section 10(1) Copyright, Designs and Patents Act 1988

A work is of joint authorship if produced by the collaboration of two or more authors and the contribution of each is not distinct from that of the others.

The authors need not have intended to create a work of joint authorship and their contributions need not be equal. But they must have intended to create a work.

KEY STATUTE

***Fisher v Brooker* [2009] FSR 25, HL**

Concerning: a claim to joint authorship

Facts

Mr Fisher wrote the distinctive organ part in the famous song 'Whiter Shade of Pale' recorded by Procul Harem. The part had originally been written for piano but had been considerably reworked by Mr Fisher. Over 30 years later, Mr Fisher claimed joint authorship of the song.

Legal principle

Joint authorship may result from reworking an existing work by a person if his input can be regarded as an original contribution to the work. Mr Fisher was entitled to 40% share in the copyright but could not claim back-royalties because his silence prior to making his claim gave rise to a gratuitous licence.

2 AUTHORSHIP, OWNERSHIP AND MORAL RIGHTS

EXAM TIP

Show that you understand the practical significance of this decision. This case demonstrates how important it is to make sure that copyright authorship and ownership is clarified where several persons have contributed to the creation or modification of a work. In some cases, it may be appropriate to execute a formal assignment of copyright.

To be a joint author each must have made a significant contribution in terms of the right sort of creative skill and judgement. Merely editing, contributing suggestions, ideas and information will not give rise to a finding of joint authorship.

KEY CASE

***Robin Ray v Classic FM plc* [1998] FSR 622 ChD**

Concerning: the type of contribution needed to become a joint author

Facts

Robin Ray was an expert on classical music and, after discussion of what was needed, created a play list of music for the use of the radio station Classic FM. Classic FM failed in their claim that they were joint authors of the list, having provided the ideas. Copyright does not exist in ideas but the expression of the ideas, and Ray had not only written down but was solely responsible for the ideas found in the play list.

Legal principle

To be a joint author there must be a significant creative contribution which was incorporated into the finished work.

‘Although penmanship did not have to be exercised, a joint author had to have direct responsibility for what ended up on the paper which was the equivalent to penmanship.’ (Mr Justice Lightman)

This case is also important in setting out guidelines to be applied to determine whether a beneficial assignment or implied licence is appropriate.

Each of the joint authors will have their own copyright in the work, which, if an original work, will last for the life of the longest to live plus 70 years. Although a joint author can leave their share on death, consent of all the co-authors must be obtained in order to license the work.

KEY DEFINITION: Joint/co-authorship

A work of joint authorship is where the contribution of each author cannot be separated, whereas the contribution of each author in a work of co-authorship is distinct, discrete and separately distinguishable.

■ Ownership

Subject to some exceptions, the author of a work is the first owner of the copyright.

KEY STATUTE**Section 11(1) and (2) Copyright, Designs and Patents Act 1988**

The author of a work is the first owner of any copyright in it. However, if made by an employee in the course of their employment, the employer is the first owner of any copyright subject to any agreement to the contrary.

The main difficulty with the ownership provisions concerns the employer/employee relationship and the meaning of 'in the course of his employment'.

Employees

The job description in the contract of employment is important. A person employed in a factory who writes poetry in their spare time is not employed as a poet and the poems are not written in the course of their employment. They, not their employer, will be the first owner of the copyright in the poems. However, if the employee is employed under a contract with a very wide job description as a researcher, copyright in a research proposal will probably belong to the employer, even if the employee created the work on his own initiative outside normal working hours.

KEY CASE***Stephenson Jordan & Harrison Ltd v MacDonald* [1952] RPC 10, CA**

Concerning: whether copyright belonged to an employee or employer

Facts

An accountant started to give lectures. He published them in a book. Although his employer had provided secretarial help when he was writing the book, he nevertheless owned the copyright in the book. He was employed to advise clients. Giving lectures was not part of his normal duties and he had not been instructed

2 AUTHORSHIP, OWNERSHIP AND MORAL RIGHTS

by his employers either to give the lectures or produce the book. The copyrights in a report written for a client as part of the employee's duties and incorporated into a part of the book did, however, belong to the employer.

Legal principle

Merely using the facilities of an employer does not entitle them to copyright in an employee's creation if it was not made in the course of their duties as an employee.

You should ask whether the skill, effort and judgement expended by the employee in creating the work are part of the employee's normal duties (express or implied) or within any special duties assigned to him by the employer. If they are not, the employee will be the first owner of the copyright, even if he has used his employer's facilities when creating the work.

Agreement to the contrary

If there is an agreement to the contrary, either express or implied, the employee may remain the first owner of the copyright.

EXAM TIP

Normally in a transfer of ownership an assignment will not be effective unless it is in writing and signed. However, no writing is needed where an employer as first owner agrees to the employee who created the work being the first owner, for example, in the case of an implied agreement to this effect.

The agreement to the contrary would usually be between the employer and the employee but if the employee has done work on behalf of a third party it may be between the employer and the third party. If the employee's name appears on the work, or copies of the work, there is a presumption that the work was not made in the course of employment.

Beneficial ownership and implied licences

If a consultant has been commissioned to create a work they are *not* an employee and the commissioner, unlike an employer, has no right to the copyright in the work. The commissioner may not realise that to obtain copyright in the work a written **assignment** would need to have been made. In some circumstances the court may decide that it is equitable to hold that the commissioner is entitled to **beneficial ownership** of the copyright or that a licence should be implied.

EXAM TIP

Issues of ownership of copyright are common in exam questions. Make sure you know the rules under the statute and can apply them to practical situations. Also ensure you are familiar with case law on ownership. This is an area where students often fall down.

KEY CASE***Blair v Osborne & Tomkins* [1971] 1 All ER 468, CA**

Concerning: an implied licence to use a commissioned work

Facts

The owner of land commissioned architects to make plans in order to obtain planning permission to build houses. The owners then sold the land. The purchasers asked surveyors to modify the plans and then used them to build the houses.

Legal principle

Although architects own the copyright in their plans there may be an implied licence so as to permit the use of the work for its intended purpose.

**Don't be tempted to...**

Do not think that beneficial assignments of copyright are always appropriate where a person (not being the creator's employer) has commissioned the creation of a work of copyright. A basic principle is that the courts will only grant the minimum necessary to give effect to the presumed intention of the parties. In many cases, justice will be satisfied by the grant of a limited implied licence allowing the continued use of the work in question by the person commissioning its creation.

Authors' rights

UK copyright law has traditionally emphasised the economic rights associated with copyright. Efficient exploitation of the work requires as much freedom for the entrepreneur as possible. However, this emphasis on the rights of the entrepreneur created an imbalance and this has been in part rectified by the introduction of the moral rights. They give authors some stake in their work after they have assigned

2 AUTHORSHIP, OWNERSHIP AND MORAL RIGHTS

ownership and no longer have control over how it is used. These moral rights are the right to be acknowledged as the author, the right to object to modification and derogatory treatment of the work, a right not to have another's work falsely attributed to them and a right to privacy in certain photographs and films. There is in addition the *droit de suite*, which gives authors of works of art and manuscripts a **royalty** when the work is resold.

Although on the face of it these rights seem to be of great benefit to the authors of works they lose much of their force as they can be waived. Many authors are not capable of exploiting their own works and must assign them. They may be under great pressure from the entrepreneur to waive these moral rights to allow unfettered use of the work. In addition, some rights may fail for lack of positive assertion on the part of the author or director.

Right to be identified as the author or director of a work

Also referred to as the 'paternity right', this is the right of the person who brought the work to life.

KEY STATUTE

Sections 77–79 Copyright, Designs and Patents Act 1988

The author of an original work and director of a film have the right to be identified as the author or director of the work. The right arises when the work or an adaptation of the work is published commercially, performed in public, or copies of a film, sound recording or graphic work representing a work of architecture are issued to or communicated to the public.

The right must be asserted either at the time of the assignment or licensing of the copyright or in writing signed by the author.

There are exceptions to the right which include computer-related works, works created during the course of employment, fair dealing exceptions or where it would be impractical to include the author's name with the publication.

Asserting the right

The right to be identified as the author of an 'original' work or as the director of a film does not arise automatically, it must be asserted. The right applies in relation to the whole or any substantial part of the work which is in copyright. Substantial in the context of moral rights will have the same meaning as applies for economic rights.

REVISION NOTE

See Chapter 3 for a discussion on the meaning of 'substantial'.

The identification must be clear and reasonably prominent. An artist putting their name or a pseudonym on a painting is asserting their right. Although the paternity right may be asserted at any time during the life of the author, this assertion will only bind those with notice of it if made after assignment.

KEY CASE***Hyperion Records Ltd v Dr Lionel Sawkins* [2005] RPC 808, CA**

Concerning: form of acknowledgement specified by author (or film director)

Facts

Dr Sawkins had expressly specified the acknowledgement '© Copyright 2002 by Lionel Sawkins' to be used on copies of CDs of performing editions of ancient music arranged by him. The publisher used the phrase 'With thanks to Dr Lionel Sawkins for his preparation of performance materials for this recording'.

Legal principle

Where a specific form of acknowledgement is required by the author (or director), failure to use this form will infringe the author's right to be identified as such.

Once asserted, the right to be identified as the author springs into action. However, the right only relates to the commercialisation of the work and does not apply to derivative works.

Communicating a work to the public

Communicating a work to the public means communication via any means including broadcasting. Non-commercial exploitation, such as the private performance of a play, does not give rise to the obligation to identify the author. But once asserted, *every* commercial publication must be accompanied by the name of the author of the initial work.

Exceptions

There is a long list of exceptions to the paternity right. They include computer software, computer-generated works, newspapers, encyclopaedias and an exception relating to employees in the course of their employment. It is felt that without these exemptions the exploitation of the work could be hampered by so many people

2 AUTHORSHIP, OWNERSHIP AND MORAL RIGHTS

asserting their moral rights. There are also fair dealing exceptions where the right to name the author will not be enforced.

Right to object to derogatory treatment of the work (integrity right)

KEY STATUTE

Sections 80–83 Copyright, Designs and Patents Act 1988

The author of an original work and directors of a film have the right not to have their work subjected to derogatory treatment. Treatment means the addition to, deletion from, alteration to or adaptation of the work but does not include translation, arrangement or transcription which is merely a change of key or register of a musical work. Treatment is derogatory if it amounts to distortion or mutilation of the work or is prejudicial to the honour or reputation of the author or director.

The right only applies if the derogatory treatment of the original work is published commercially or is issued to the public.

There are exceptions for computer-related works and works created for the purpose of reporting current events, where it would be impractical to apply the right.

The right only applies if the author has been identified and if no disclaimer has been included.

The 'integrity right' applies to works that are in copyright and benefits the same people as the paternity right but need not be asserted.

Derogatory treatment

Derogatory treatment is a treatment which amounts to distortion or mutilation of the work. The work itself must be altered. It is not enough that the work is displayed in a way that would be regarded as derogatory. However, distortion or mutilation of the work itself is not enough. There must also be prejudice to the honour or reputation of the author.

KEY CASE***Confetti Records v Warner Music UK Ltd* [2003] EWCA Civ 1748**

Concerning: derogatory treatment

Facts

A Rap version of the song 'Burnin', was made by the group Heartless Crew. The Rap version contained references to violence and drugs which the court found very difficult to decipher. The original composer Mr Alcee unsuccessfully claimed that the addition of the Rap lyrics was a derogatory treatment of his work.

Legal principle

There must be some damage to the author's honour or reputation.

'I hold that the mere fact that a work has been distorted or mutilated gives rise to no claim, unless the distortion or mutilation prejudices the author's honour or reputation.' (Mr Justice Lewison)

It is not up to the author but to the right-thinking member of the public to decide if the reputation of the author has been prejudiced by the derogatory treatment. As with the paternity right there are exceptions, and the right does not apply to computer programs and computer-generated works or in relation to any work made for the purpose of reporting current events, newspapers, magazines, encyclopaedias, or to employees. It is felt that being able to object to such treatment in these areas would cause potential delay in publishing these works.

False attribution of a work

This right is again concerned with commercial not private communications.

KEY STATUTE**Section 84 Copyright, Designs and Patents Act 1988**

The author of an original work and directors of a film have the right not to have a work either expressly or impliedly falsely attributed to them. The right applies if the falsely attributed work is issued to the public by a person who knows or has reason to believe that the attribution is false.

The right also applies if in the course of a business a person knowingly possesses or deals with the work or a copy of the work which contains the false attribution.

2 AUTHORSHIP, OWNERSHIP AND MORAL RIGHTS

The false attribution right applies to original works and films, as do the other moral rights. There are no exceptions so it is also relevant to computer programs and typefaces. It can be used where B writes a book and pretends it, or parts of it, were written by A. False attribution does not relate to a work created by the person asserting it. As A, the person falsely attributed, has no copyright in the work its duration is not the life of the author plus 70 years but only 20 years after the death of A, the person to whom the work is attributed falsely. There is also a right of action against anyone who possesses or deals with a copy of the work in the course of business if they know or have reason to believe that there is a false attribution.

Right to privacy in photographs and films

There is no general right to privacy in English law. When someone commissions a photograph it is the photographer who is the first owner of the copyright in the photograph. The photographer has control over the negatives and can use them for his or her own purposes even against the wishes of the commissioner.

KEY STATUTE

Section 85 Copyright, Designs and Patents Act 1988

A person who commissions the taking of a photograph or the making of a film for private and domestic purpose has the right not to have copies of the work issued, exhibited, shown or communicated to the public.

The right to privacy applies in the case of a photograph or film which is in copyright. The photograph must have been taken only for private and domestic purposes. It must have been commissioned. The right will not apply if a photographer took a photograph entirely on his own initiative or the subject of the photograph was included incidentally. The photographer does not need to be a professional photographer and the term is for the work itself, life of the author, the photographer, plus 70 years.

EXAM TIP

To demonstrate a greater understanding of the interrelationship of different intellectual property rights you could point out that the claimants in the case of *Douglas v Hello!* could not use this right. The photographs of the celebrity wedding had been intended to be sold commercially.

Remedies

Injunctions and damages are normally available for a breach of a statutory duty. If there has been an infringement of moral rights, damages would be for non-economic loss because moral rights are not economic in nature. An appropriate remedy may, however, be requiring a disclaimer dissociating the author or director from any derogatory treatment of their work.

Artists' resale right

This right was brought in under the **Artists Resale Right** Regulations 2006/346. It applies to original works of graphic or plastic art such as paintings and sculptures that are still in copyright. It does not apply if the work is sold privately. The author is given a right which they may not transfer or waive but may be transmitted on death. The author of the work is entitled to receive a royalty payable by the seller which is a percentage of the resale price, up to a maximum which is at present €10,000.

■ Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.
- ☐ Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the problem question at the start of the chapter.

Approaching the question

- Identify that this problem question concerns ownership of copyright in the original works and moral rights of authors of original works.
- Before ownership of copyright can be determined, students must first apply the rules as to authorship and joint authorship.
- Notice that moral rights of ‘paternity’ and ‘integrity’ are engaged in respect of the music.
- As is often the case in problem questions, there are gaps in the facts. Here, we are not told enough to work out who is entitled to the copyright in the photograph but there may be extra points for dealing with it – for example, that the photographer would be the first owner (unless an employee creating it in the course of his or her employment) though Betty may now own it through an assignment and, if so, can bring an action for copyright infringement.
- In context, however, it is clear that the issue of privacy in photographs taken for private and domestic purposes is relevant and must be addressed. Do not forget that Betty has the right of privacy only if she commissioned the taking of the photograph. If she did not commission the photograph, whoever did so has the right (for example, if it was the groom or her father).

Important points to include

- Adrian is the author and therefore first owner of the copyright in the song ‘Bad’ (s9).
- If it is impossible to identify each author’s contribution (s10) and Betty had contributed the right sort of skill and labour into creating the beat and if the intention had been to create a ‘work’, she could be a joint owner of the song (*Fisher v Brooker*). Merely contributing ideas would not be sufficient; she must be responsible for what was actually recorded (*Ray v Classic FM*).
- Adrian could claim that his integrity right will be infringed if the altered work is issued to the public (ss 80–83). He must prove that there has been some derogatory treatment to the work itself. It is not up to him but up to the right-thinking member of the public to feel that his reputation has been prejudiced by the derogatory treatment (*Confetti Records*). Here it is unlikely that such a

person would feel that such alteration would be sufficiently derogatory to his reputation.

- Adrian can also complain that Chris has made a false attribution by falsely claiming he is the author of 'Nasty'. This right will last for 20 years after Adrian's death.
- Betty has a right to privacy in her wedding photos as long as she commissioned 'Happy Day Photos' to take them and they were intended purely for domestic purposes, unlike *Douglas v Hello!*



Make your answer stand out

- Point out that Adrian should have asked Betty to assign her rights to him.
- Also mention that Chris's record company will be dealing with copies and so they can also be sued.
- Explain that although Betty may be able to take advantage of the privacy right if there had been an intention to use the photographs commercially, as in *Douglas v Hello!*, this right would not be available.

READ TO IMPRESS

Calleja, R. (2005) 'Copyright: equitable owners of copyright in Dr Martens–AirWair logo', 5 Ent LR N44.

Chan, P. (2007) 'Moral rights in university students' academic works', 3 JIPLP 174.

Longdin, L. (2005) 'Collaborative authorship of distance learning materials: cross-border copyright and moral rights problems', 1 EIPR 4.

NOTES

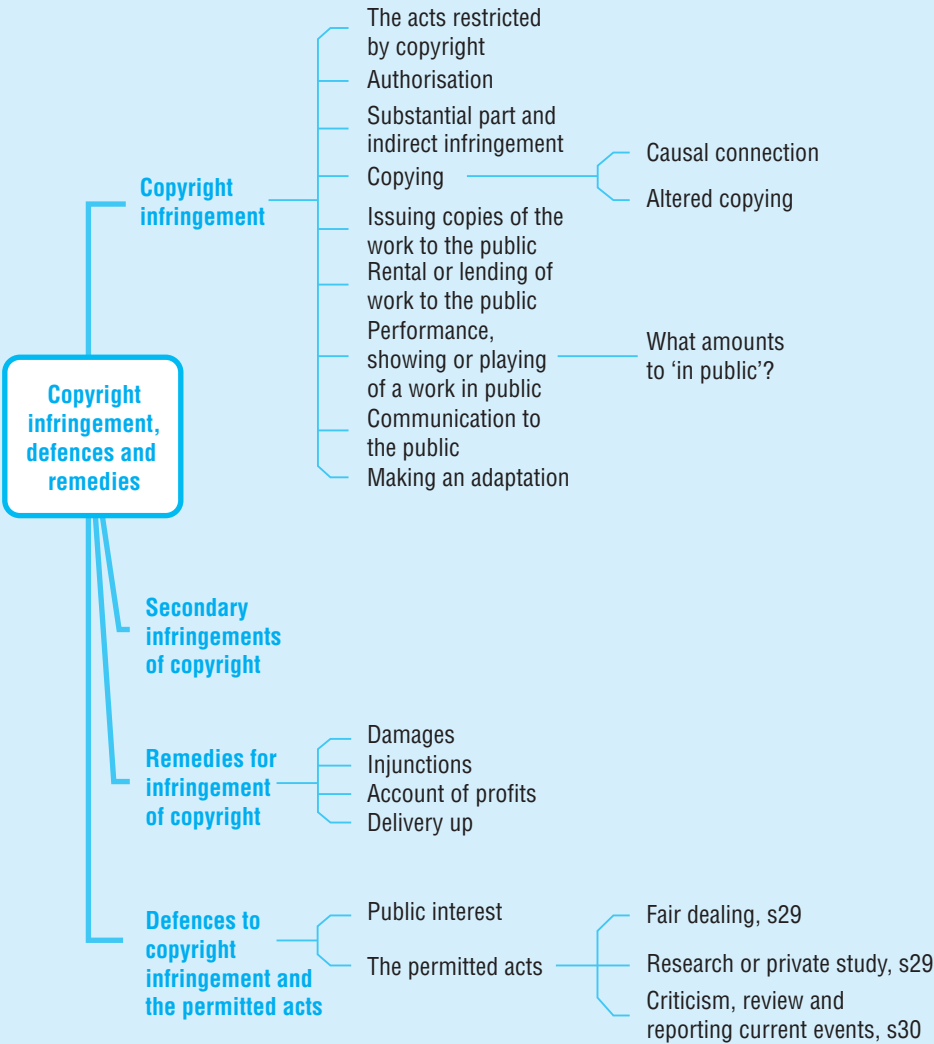
Copyright infringement, defences and remedies

Revision checklist

Essential points you should know:

- ☐ The acts restricted by copyright
- ☐ What amounts to copying and the communication to the public
- ☐ Secondary infringements of copyright
- ☐ Remedies for infringement of copyright
- ☐ Defences to copyright infringement and the permitted acts

■ Topic map



■ Introduction

Copyright infringement is the making of unauthorised copies without any defence being available.

The owner of copyright is given exclusive rights in respect of certain restricted acts. If any of these acts are done to a substantial part of the work without the licence of the owner there will be primary infringement. There are other restricted activities, of a commercial nature, such as dealing with infringing copies of a work. These are described as secondary infringement. It is also an infringement if you authorise another to do a restricted act. There are not only civil but also criminal remedies available. The criminal offences generally, though not exactly, mirror the secondary infringements of copyright. There are exceptions or defences to copyright infringement known as the permitted acts.

ASSESSMENT ADVICE

Essay questions You may be asked to discuss the difficulty in establishing what is a substantial amount of a work for infringement purposes. Alternatively, the balance needed in the protection of the author and the need for freedom of expression in relation to the fair dealing defences may also be a possible question.

Problem questions This is a prime area for problem questions. A scenario where there has been some conscious or unconscious infringement, possibly an adaptation or alternatively altered copying, of a work is very likely. There may also be some commercial dealing with the work by someone who claims they do not have the necessary knowledge that the work was an infringing work. There may be defences of criticism and review or fair dealing available to the defendant that you must identify.

■ Sample question

Could you answer this question? Below is a typical essay question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample problem question and guidance on tackling it can be found on the companion website.

ESSAY QUESTION

In *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2001] FSR 113, Lord Hoffmann said at para 26:

‘Generally speaking, in cases of artistic copyright, the more abstract and simple the copied idea, the less likely it is to constitute a substantial part. Originality, in the sense of the contribution of the author’s skill and labour, tends to lie in the detail with which the basic idea is presented. Copyright law protects foxes better than hedgehogs.’

Discuss this statement in relation to what constitutes a substantial part of a work for the purposes of infringement.

■ Copyright infringement

The acts restricted by copyright

Copyright is the exclusive right given to the owner to copy the work, or do any of the restricted acts in relation to the work.

KEY STATUTE

Section 16(1) and (2) Copyright, Designs and Patents Act 1988

The owner of the copyright in a work has the exclusive right to copy, issue copies of the work, rent, lend, perform, show, play or communicate the work to the public. They have the right to make an adaptation of the work or do any of the above in relation to an adaptation.

Copyright in a work is infringed by a person who without the licence of the copyright owner does, or authorises another to do, any of the acts restricted by copyright.

The owner may grant a licence to another to do any of these restricted acts.

Authorisation

Not only is it an infringement to perform one of the restricted acts but also to **authorise** another to do so. In other jurisdictions libraries have been held to have authorised copyright infringement by providing photocopiers without any warnings to the users or supervision against copyright infringement. However, in the UK merely

making copying equipment available will only amount to authorisation if there has actually been some encouragement or at least turning a blind eye to infringement.

KEY DEFINITION: Authorise

To 'authorise' means to grant or purport to grant to a third person the right to do the act complained of.

KEY CASE

***CBS Songs Ltd v Amstrad Consumer Electronics plc* [1988] 1 AC 1013, HL**

Concerning: whether providing machines which could be used for copyright infringement was authorising infringement

Facts

Amstrad was held not to be authorising copyright infringement by the sale of its twin-deck tape recorder machines which could be used to copy music, therefore infringing its copyright.

Legal principle

Merely facilitating unauthorised copying was not authorisation if the machines could be used for legitimate purposes.

Amstrad had not authorised the infringement even though their machines may have facilitated it. They had conferred a power but not a right to copy. This question is relevant to file-to-file sharing and the question should be, can the equipment be used for legitimate purposes and has the manufacturer/internet service provider got control?

Substantial part and indirect infringement

If an article such as a drawer is made according to a drawing, unauthorised copies of the drawer will indirectly infringe the copyright subsisting in the drawing. Not only copying the whole, but also copying a substantial amount of the work, will amount to infringement.

KEY STATUTE

Section 16(3)(a) and (b) Copyright, Designs and Patents Act 1988

The copying must be in relation to the work as a whole or any substantial part of it and can occur either directly or indirectly.

3 COPYRIGHT INFRINGEMENT, DEFENCES AND REMEDIES

It can be difficult to determine what a substantial amount is. There are no guidelines in the Act and different types of work are treated differently. Substantial must be decided by the quality of what has been taken rather than the quantity. If what has been copied is commonplace, an idea or fact, it will not normally be regarded as original enough to amount to a substantial part. However, taking part of a compilation of unoriginal material where there has been a substantial exercise of skill or judgement of the person creating the compilation may be substantial taking. A small portion of a work, if the most memorable or valuable part such as the hook in a piece of music, can be substantial.

! Don't be tempted to...

When determining a substantial amount the method is to first identify the parts taken by the defendant, *then* isolate them from the remainder of the defendant's work, and *only then* consider whether those parts represent a substantial part of the claimant's work.

Imagine I reproduce the smile of the *Mona Lisa* (pretend it is still in copyright). I use the smile as a small portion of my work. To decide if I have taken a substantial part of Leonardo da Vinci's work, look at how memorable a part the smile is and how important it is to da Vinci's work, not how important it is to mine. Keep in mind that if the defendant is competing with the claimant, this would be taken into account.

EXAM TIP

Point out that if the courts concentrate on quality to determine substantiality they may end up demanding merit of the copyright work, and for original works no merit is required.

The importance of the work cannot be the test for all works. With computer programs a very minor piece of punctuation that took little skill or judgement to create may be important, in that the software will not work without it. It does not mean that copying that full stop is taking a substantial part of the whole program.

REVISION NOTE

For a discussion of the quality requirements of copyright works please refer to Chapter 1.

If there has been regular cumulative copying of trivial amounts of a work, this cannot amount to a substantial part. Whether what has been taken is trivial may depend on how you look at the work itself. Small extracts taken from magazine articles where

the typographical arrangement has been copied would be regarded as trivial if the 'work' is regarded as the whole magazine rather than each individual article within the magazine.

Copying

What amounts to copying varies depending on the nature of the work in question.

KEY STATUTE

Section 17 Copyright, Designs and Patents Act 1988

Copying, in relation to a literary, dramatic, musical or artistic work, means reproducing the work in any material form including storing the work in any medium by electronic means. Copying an artistic work includes making a copy of a two-dimensional work in three dimensions and vice versa, or making a photograph of the whole or any substantial part of a film or broadcast. Copying of all types of work includes the making of copies which are transient or incidental to some other use of the work.

Consequently, unauthorised recording of any works of copyright by any method, even if transient or incidental, will infringe. Taking a single photograph of a substantial part of one frame of a film or an internet webpage infringes copyright. However, 'dimensional shift' or making a three-dimensional work out of a two-dimensional work applies only to artistic works. If a knitting pattern – a literary work – is made into a jumper – a three-dimensional object – there will be no copying. Infringement will, however, occur if there is 'reverse engineering' such as where a car exhaust is made from a drawing and also where actors in three dimensions enact a two-dimensional cartoon.

Causal connection

If two people each independently take a photograph of Buckingham Palace, even though the photographs may look identical there is no copying. To show infringement the claimant must first prove that the defendant has copied either consciously or unconsciously. They must show prior access to the copyright work. Once a case is made out, the burden of proof shifts to the defendant, who must then give an explanation of why there are similarities between the works.

EXAM TIP

Mention that many creators include an 'accidental' mistake in their work. If this is then copied it is very difficult to explain such a similarity away as coincidence rather than as a result of copying.

3 COPYRIGHT INFRINGEMENT, DEFENCES AND REMEDIES

Altered copying

If the defendant has copied the whole of a work there is little problem apart from proof. If there have been considerable alterations it is more difficult to prove. The court has to decide whether the defendant's work incorporates a substantial part of the skill and labour involved in the creation of the claimant's work.

KEY CASE

Designers Guild Ltd v Russell Williams Ltd [2001] FSR 113, HL

Concerning: altered copying

Facts

The claimant successfully sued for infringement of the copyright in an impressionistic fabric design comprising stripes with flowers scattered around the design. The defendant created a design based on a similar idea of stripes and scattered flowers. It looked very similar but there were many differences.

Legal principle

The test is whether the infringer had incorporated a substantial amount of the independent skill and labour of the author. You must look at the claimant's work and the importance and the amount of the work taken from that, not the importance of it to the work of the defendant. The cumulative effect of those similarities ought to be considered, but ideas or commonplace things will not be included.



Make your answer stand out

The idea/expression debate is a long standing one in the field of copyright. Ronan Deazley (2004) considers two House of Lords cases on substantial part. Make your answer stand out by explaining that Deazley discusses the idea/expression debate and asks whether the balance is becoming weighed too much in favour of the author with the potential that creativity by others will be inhibited.

Issuing copies of the work to the public

This concerns **exhaustion of rights** and the free movement of goods within the **European Economic Area (EEA)**. It applies to all categories of works.

KEY STATUTE**Section 18 Copyright, Designs and Patents Act 1988**

Issuing copies of the work to the public includes putting them into circulation in the EEA when copies have not previously been put into circulation there either by or with the consent of the copyright owner, or outside the EEA when copies have not previously been put into circulation in the EEA or elsewhere.

Issuing to the public does not include subsequent distribution, sale, hiring or loan of copies previously put into circulation or subsequent importation of such copies into the UK or another EEA state.

Consequently, the copyright owner can take action against anyone who for the first time issues a copy of his work to the public anywhere without his consent. He loses control over any copies once he puts them into circulation in the EEA. If he first issued the copy in France or another EEA country but not the UK, he cannot prevent someone importing a copy from France into the UK and selling it. If he first issues the copy in the USA he can prevent its importation into the EEA. It should be noted that this right to issue applies to each and every copy of the work.

Rental or lending of work to the public

The right applies to the 'original' works of copyright films and sound recordings. The rental or lending of the DVDs or CDs (unless done privately) after the owner has issued them to the public gives rise to a right to obtain a royalty.

KEY STATUTE**Section 18A Copyright, Designs and Patents Act 1988**

Rental is making a copy of the work available for use, on terms that it will or may be returned, for direct or indirect economic or commercial advantage.

Lending is making a copy of the work available for use, on terms that it will or may be returned, otherwise than for direct or indirect economic or commercial advantage, through an establishment which is accessible to the public.

Where an author of an original work agrees to its inclusion in a film, it is assumed that the author has assigned his rental rights in relation to that film and instead acquires a right to an equitable remuneration.

Performance, showing or playing of a work in public

In a literary, dramatic or musical work, but not an artistic work, these are restricted acts.

KEY STATUTE

Section 19(2) and (3) Copyright, Designs and Patents Act 1988

A performance includes the delivery of lectures, addresses, speeches and sermons and includes any mode of visual or acoustic presentation, including presentation by means of a sound recording, film or broadcast.

The playing or showing of the work in public is an act restricted by the copyright in a sound recording, film or broadcast.

The person in charge of the equipment used in playing music to members of the public, for example background music in a café, is the one infringing. A 'blanket' licence to allow such use may be obtained from the Performing Right Society.

What amounts to 'in public'?

A performance will be regarded as a public performance unless the audience is of a domestic nature. If payment is made there is no doubt that this will involve performance in public. There can be grey areas such as when a hotel provides music to the guests in their private rooms. The main question should be whether the performance of the work conflicts with the copyright owner's right to be paid a royalty.

Communication to the public

This is a restricted act in relation to the original works, a sound recording, film or broadcast.

KEY STATUTE

Section 20 Copyright, Designs and Patents Act 1988

Communication to the public means communication or making available to the public an original work or broadcast by electronic transmission so that the public can access it from a place and at a time individually chosen by them.

Placing a work on a website or providing a hypertext link to it will infringe if the work can be downloaded by any member of the public in the UK. It does not matter where the computer on which the website is hosted is physically located.

Making an adaptation

The restricted act only applies to literary, dramatic and musical works. Artistic works are not covered by the act of making an adaptation.

REVISION NOTE

When an adaptation is made the economic rights are affected but moral rights of the author may also be infringed. Please refer to Chapter 2 on this issue.

KEY STATUTE

Section 21(3) Copyright, Designs and Patents Act 1988

Adaptation arises in relation to a literary, dramatic or musical work (other than computer programs and databases). It means a translation, a conversion of a dramatic work into a non-dramatic work or vice versa, or a version of a work in which the story or action is conveyed wholly or mainly by means of pictures into a form suitable to be reproduced in a book or periodical. In relation to a musical work it is an arrangement or transcription of the work.

REVISION NOTE

See Chapter 1 for discussion of adaptation of musical works and *Hyperion Records v Sawkins*.

Adaptation would include a substantial amount of a book that has been made into a play or translated, for example, from French to English. It covers an adaptation of an adaptation. If enough skill and judgement has been involved in the adaptation it may attract its own copyright, but would be infringing if done without the consent of the original owner. Adaptation does not apply to an artistic work, so an artistic work can be copied but cannot be the subject of an adaptation.

■ Secondary infringements of copyright

Secondary infringement is all about commercial 'dealing' with infringing copies. It includes providing premises for the performance of, apparatus for making or transmitting an infringing article in the course of a business. Secondary and primary infringement does not have to have been committed by the same person. For a secondary infringement the person responsible must have knowledge or reason to believe that the copies are infringing copies and that what they are doing involves a secondary infringement.

3 COPYRIGHT INFRINGEMENT, DEFENCES AND REMEDIES

KEY STATUTE

Sections 22–26 Copyright, Designs and Patents Act 1988

Copyright is infringed by importing, possessing or ‘dealing’ with, selling, letting for hire, offering or exposing for sale or hire, exhibiting or distributing an infringing copy in the course of a business and in a way as to affect prejudicially the owner of the copyright. Also by permitting the use of premises or supplying the apparatus for an infringing performance knowing or having reason to believe that secondary infringement will occur.

The main issue here is the knowledge needed by the secondary infringer.

KEY CASE

***LA Gear Inc v Hi-Tec Sports plc* [1992] FSR 121, CA**

Concerning: the meaning of ‘has reason to believe’ for secondary infringement

Facts

An employee of LA Gear had made a drawing for a sports shoe. It was later discovered that an identical shoe had been made by Hi-Tec Sports. Sending the defendant copies of the drawings and a letter saying they had copyright in them was held enough to make the defendant ‘have reason to believe’ the shoes were infringing the claimant’s copyright.

Legal principle

The test must be objective: whether the reasonable man, with knowledge of the facts known to the defendant, would have formed the belief that the item was an infringing copy.

A ‘reason to believe’ would include a reasonable belief that the copyright had expired, did not subsist in the work, or that the copies had been made with the copyright owner’s permission. Some of the criminal offences provided for under the 1988 Act closely follow the equivalent secondary infringements, and the same level of knowledge is required.

Remedies for infringement of copyright

The remedies applicable to civil infringement include injunctions, damages or an account of profits, delivery up and destruction orders. A maximum term of 10 years’ imprisonment is available for criminal offences. If there is a very strong case to suspect copyright infringement and a likelihood of serious damage, the copyright

owner (or licensee) should apply for a search order. Such an order will be granted if it is necessary to prevent the destruction of the evidence.

Damages

Damages are awarded, if not too remote, in order to compensate the copyright owner for any actual loss suffered. These may be based on a likely royalty or lost sales. Liability of the defendant is strict for the 'primary' infringements but damages will not be awarded against the defendant if they did not know, and had no reason to believe, that copyright subsisted in the work.

EXAM TIP

Point out that a wise copyright owner will apply a prominent copyright notice to copies of his work so that infringers cannot claim to be ignorant of the subsistence of copyright in the work.

Injunctions

An **injunction** may order a person to stop making infringing copies or to destroy something which is used for making infringing copies. Injunctions are equitable and therefore discretionary. The court must feel that there is a serious issue to be tried. Injunctions are unlikely to be granted if damages would be an adequate remedy. However, they are a very common form of protection in this area of law. Quick action often needs to be taken and it may be many years before an action would come to full trial. The court will consider on the balance of convenience the impact of granting or refusing the injunction on each of the parties.

KEY DEFINITION: Injunction

An injunction is an order of the court which prohibits an act or the commencement or continuance of an act. Alternatively, an injunction might order a person to perform some act.

Account of profits

An account of profits is intended to prevent unjust enrichment. That is the gain made by the defendant due to the infringement, not the retail value of the infringing articles. An account may be very difficult to assess. However, it may be the only monetary remedy obtainable when damages are unavailable because the defendant did not have reason to believe that copyright subsisted in the work.

Delivery up

A court may order that infringing copies, or articles designed or adapted for making copies of the copyright owner's work, are delivered up to them. The person must know or have reason to believe that the article has been or is to be used to make infringing copies. An order for the disposal of the infringing copies must also be made.

■ Defences to copyright infringement and the permitted acts

Numerous '**permitted acts**' are included in the Act. There are other defences also, the most obvious being that there is no copyright in the work, that the owner had given their authority, or that less than a substantial amount of the work has been taken.

Public interest

Cases where the public interest is at issue often concern the publication of information, and frequently questions of confidence will be raised.

REVISION NOTE

Please see Chapter 4 on confidence.

The defence of public interest does not claim that there is no copyright subsisting in the work but that it is not in the public interest to enforce the right. This could be used where a work was immoral or in some way in contravention to society's values. It needs to be balanced against the right to freedom of expression which exists under the Human Rights Act.

KEY CASE

***Hyde Park Residence Ltd v Yelland* [2000] RPC 604, CA**

Concerning: Whether the public interest defence applied to copyright infringement

Facts

The day before Diana, Princess of Wales and Dodi Al Fayed were killed in a car crash they had been recorded on video at a Paris property, with the time of their arrival and departure displayed. Stills from the video were made and published

in the *Sun* newspaper to show that Mr Mohamed Al Fayed had lied about the duration of the visit. When sued for copyright infringement, the *Sun* failed in the defences of public interest and fair dealing for the purpose of reporting current events.

Legal principle

If information of interest contained within the work (the times of arrival and departure) could have been made available without infringing copyright, publication would not be necessary and the public interest defence would be unavailable.

Although the court must have regard to the right of freedom of expression, there will be no justification for copyright infringement if the necessary facts could be disclosed without such infringement.

The permitted acts

The justification for these permitted acts is that it provides a fair balance between the rights of the copyright owner and the rights of society at large. They cover such things as education, libraries and archives. In these circumstances there will have been an infringement of a work, but the copyright owner's commercial exploitation of the work is deemed not to have been unduly harmed.

Fair dealing, s29

Fair dealing covers non-commercial research or private study, criticism, review and reporting current events. If the part taken is not substantial, then there is no infringement of copyright and no need to rely on the permitted acts. You must consider the number, extent and proportions of any quotations. Long extracts and short comments may be unfair. If the use made of them is for comment, criticism or review, that may be fair dealing. If they are used for a rival purpose, they may be unfair. But it must be a matter of impression of whether it would seriously prejudice the commercial value of the copyright work.

EXAM TIP

Note that an injunction will rarely be granted if the defendant has an arguable defence of fair dealing. This is to protect freedom of speech. Highly relevant to the press and politics.

3 COPYRIGHT INFRINGEMENT, DEFENCES AND REMEDIES

Research or private study, s29

This applies to the original works. The research must be for non-commercial purposes. There is a requirement that a sufficient acknowledgement be made, the name of the author and title of the work. The research must be to facilitate the person's own research, not another's. So providing study notes for others would not be included.

Criticism, review and reporting current events, s30

The section applies to all original works plus performances. The criticism or review must be accompanied by a sufficient acknowledgement. It will only be available if the work has been made available to the public. The criticism or review does not need to be the only purpose for using the work, provided it was a significant purpose. The criticism does not have to be of the work itself but can be directed at another work. A TV programme (the work) can be used to comment on the use of 'chequebook' journalism (another work).

In reporting current events, the event involved does not have to be recent but must comment on other events which are of current interest. So an old video of Princess Diana could be used to comment upon a current event such as her inquest. It does not apply to photographs, and an acknowledgement does not need to be made if impractical to do so.

■ Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.
- ☐ Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the essay question at the start of the chapter.

Approaching the question

This question involves a longish quote. Be careful how you interpret it. Do not take an overly literal approach but consider the general gist.

Important points to include

- First note that, under section 16(3) CDPA, infringement requires that the relevant restricted act has to be carried out in relation to the whole or a substantial part of the work.
- Refer to cases such as *Hawkes v Paramount* to note that it is the quality of the part taken rather than its quantity that is important.
- Mention that when testing for infringement, comparison should be made between the part taken and the claimant's work rather than the defendant's work.
- Deal with Lord Hoffmann's statement – you could usefully introduce cases such as *Kenrick v Lawrence* here which is a good example of what he was thinking about.



Make your answer stand out

It would help to mention something about the policy of copyright protection. For example, if ideas are expressed with little detail, there is the difficulty of deciding whether there has been copying, if denied. Also, copyright would be in danger of protecting ideas rather than expression.

3 COPYRIGHT INFRINGEMENT, DEFENCES AND REMEDIES

READ TO IMPRESS

Deazley, R. (2004) 'Copyright in the House of Lords: recent cases, juridical reasoning and academic writing', IPQ 121.

Heath-Saunders, A. (2005) 'It's a fair copy: the defence of fair dealing in cases of copyright infringement', June, *Corporate Briefing* 8.

Sims, A. (2006) 'The public interest defence in copyright: myth or reality?', 6 EIPR 335.

Spencer, M. (2005) 'Vagueness in the scope of copyright', LQR 657.

Stephens, K. (2006) 'Copyright: non-textual infringement', 5 CIPA Journal 356.

NOTES

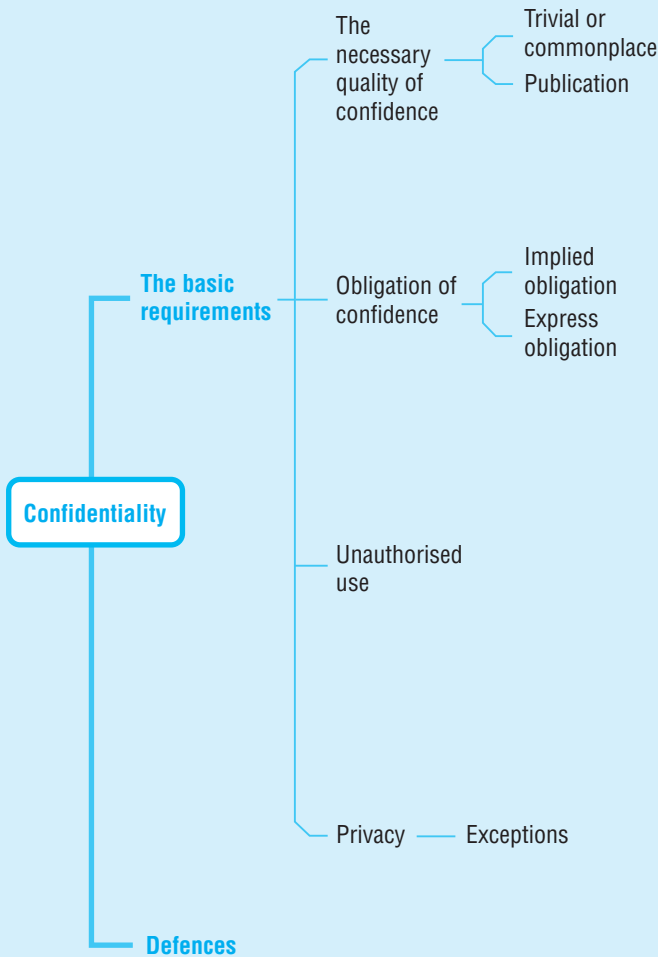
Confidentiality

Revision checklist

Essential points you should know:

- ☐ What is required for information to be regarded as confidential
- ☐ Who is bound by confidential material
- ☐ Status of employees with confidential material and trade secrets
- ☐ Public interest defences
- ☐ Privacy, Human Rights Act and the public interest

■ Topic map



■ Introduction

If you say that you will keep a secret, then you must.

If you acquire secret information in confidence you may use it only for the purposes for which it was given to you. Confidential information may be personal, commercial, industrial or governmental. Such information is not restricted to the written or spoken word but may also include images and ideas. This is a very difficult area of law and although an obligation of confidence may arise in contract, much is implied by the principles of equity. It is judge-made law and although benefiting from flexibility, many of the cases contradict each other. However, for information to be regarded as confidential it must have the necessary quality of confidence about it. No one will be prevented from using truthful information or reverse engineering products that are already in the public domain. You cannot impose a secret on someone. In addition you cannot stop an employee using their skill and know-how in order to gain employment but you may obtain an injunction to prevent them from divulging trade secrets or acting in breach of their duty of fidelity. Although there is no fundamental right of privacy in English law, the law of confidence, combined with the Human Rights Act 1998 and with Articles 8 and 10 of the Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms, can protect the right of privacy subject to disclosure in the public interest.

ASSESSMENT ADVICE

Essay questions Essay questions on this topic may well ask you to follow developments in this flexible area of law. This could involve discussion of commercial secrets and the development of the ‘springboard’ doctrine with the subsequent decision that rather than granting an injunction, damages are an adequate remedy. You may also be asked to analyse the changing nature of private information due to the advent of the Human Rights Act.

Problem questions Problem questions may well involve difficult areas, such as when an innocent third party receives confidential information without realising its confidential nature or when eavesdropping occurs. There may also be a problem that involves the ‘kiss and tell’ type of story or where an ex-partner or ex-employee sells the story or writes a book depicting their time in the company/employment of a celebrity.

■ Sample question

Could you answer this question? Below is a typical problem question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample essay question and guidance on tackling it can be found on the companion website.

PROBLEM QUESTION

Liz is a jazz singer. She has had considerable success but has always been a private person and has not encouraged publicity. For many years she was in daily contact with Olive, with whom she went to school. Olive was her best friend and confidante. Olive helped Liz overcome depression after she divorced her husband due to his adultery, and it was Olive who helped her come to terms with the fact that she had Parkinson's disease (a progressive neurological condition that affects walking, talking and writing). Olive accompanied Liz on all the singing tours she made between 1992 and 2005, eating together every evening, meeting all her friends and generally sharing her life. In 2004 the relationship between the two women grew strained, culminating in a very bad argument. They have not spoken for two years. Liz has discovered that Olive has written a book about their friendship which is about to be published. Liz became aware of the book following enquiries she made after she was startled by one photographer taking a photograph of her walking along the street and another climbing on to the wall of her garden so that he could take photographs of her sunbathing.

Both photographs of Liz have been sold to newspapers, which are about to publish them. Olive says that the book is not about Liz but about her own life during the period of 1992–2005 and Liz cannot prevent its publication.

Advise Liz on whether she can prevent the publication of the book and the photographs.

■ The basic requirements

KEY CASE

Coco v A N Clark (Engineers) Ltd [1969] RPC 41, ChD

Concerning: basic requirements for liability

Facts

Marco Paolo Coco designed a moped engine. He entered into negotiations with Clark to manufacture the engine but these negotiations broke down. No contract was involved. Clark produced a similar moped engine, which Coco unsuccessfully claimed was based on his engine.

Legal principle

- (1) The information must have the necessary quality of confidence about it.
- (2) The information must have been imparted in circumstances imposing an obligation of confidence.
- (3) There must be an unauthorised use of that information to the detriment of the party communicating it.

The necessary quality of confidence

Trivial or commonplace

In order to be held to be confidential, information must not be trivial or commonplace, in the public domain or too vague. It does not have to be particularly special information, and simple things such as lists of customers can be regarded as confidential. **Trade secrets**, however, are given far stronger protection. There is unfortunately no legal definition of trade secrets.

KEY CASE

Faccenda Chicken Ltd v Fowler [1986] 1 All ER 617, CA

Concerning: an ex-employee taking sales information

Facts

An employee left his employment with know-how concerning the fresh chicken trade of his employer. He started up in competition using this know-how. ►

4 CONFIDENTIALITY

Legal principle

Trivial information, easily accessible information and employee know-how are not protected as trade secrets. Trade secrets are so confidential that there is a duty even without a contractual agreement to keep them secret after the end of the employment relationship.

Other issues are the nature of the employment; would the employee usually handle confidential information? The nature of the information itself: would it be easily available to the public? Did the employer stress the confidential nature of the material, and could the information be easily isolated from other material the employee was free to use?

KEY DEFINITION: Trade secret

A trade secret is information that would cause real harm if it were disclosed to a competitor and the owner had limited its dissemination.

Some duties of confidence, such as that of an employee and employer, although expressed in a contract of employment, are also implied by law. The implied duty of ex-employees is far less onerous than that of present employees and covers only trade secrets, unless protected by a specific contractual term.



Don't be tempted to...

Remember that it may be *implied* that an employee should keep their employer's secrets. There is a balance required between the need of employees to work using the know-how and experience gained through their employment and the need for the employer to protect their sensitive information from being dispersed to rivals.

To determine whether the information is to be regarded as a trade secret one must look at the nature of the employment, the nature of the information and whether the employer impressed upon the employee the confidentiality of the information. In addition, whether the information can be easily isolated from other information the employee is free to disclose are important issues to be considered. Where a person is involved in work which would result in an invention being made, this would be classed as a trade secret.

Publication

If information is in the public domain it will no longer be confidential and its use can no longer be prevented. In the past, if the person whose conscience was fixed by the confidence put the information in the public domain themselves, they could, for a period of time, be prevented by an injunction from using the information to the detriment of the owner. This was intended to stop a person from benefiting from their own wrong. Today however, damages are felt to be a more appropriate remedy.

Obligation of confidence

The information must have been imparted in circumstances importing an obligation of confidence. The party receiving the information must have their conscience fixed in equity. This can either be by contract, by oral agreement, or implied by law. The test can be subjective – was it assumed by the parties that the disclosure was in confidence? – or objective – would other reasonable people assume the information had been imparted in confidence? If no one would reasonably think that the circumstance could give rise to a confidence, then it will not.



Don't be tempted to...

Eavesdropping can be a problem – don't forget to consider this. It is uncertain if an obligation arises in such circumstances, as the information has not been imparted in circumstances importing an obligation of confidence, as required in *Coco v Clark*.

Implied obligation

By using such methods as encryption when selling goods you are making information difficult to access or reverse-engineer, as well as letting people know that you do not want them to access your secret information. Does this mean that their conscience is fixed in equity? This can be problematic, for without a contractual agreement there is no consent on the behalf of the purchaser and a confider cannot impose an obligation of confidence upon another.

4 CONFIDENTIALITY

EXAM TIP

It is worth pointing out that as technology improves it is much easier for people to gain access to confidential material but that the circumstances importing an obligation of confidence may not exist. Make sure you stress the flexibility offered by the law of confidence. We can see the benefits of it being able to adapt, demonstrated in *Douglas v Hello! (No 6)* where it was accepted that taking photographs surreptitiously was a breach of confidence.

KEY CASE

Michael Douglas v Hello! Ltd (No 6) [2006] QB 125, CA

Concerning: whether unauthorised photographs were taken in breach of a duty of confidence

Facts

A photographer, despite heavy security, surreptitiously took photographs of a celebrity wedding. The photographs were published in the magazine *Hello!* and the celebrities sued the magazine for breach of confidence.

Legal principle

Making it clear that photographs should not be taken, together with strict security measures, can give rise to a duty of confidence.

Keep in mind that this was not a commercial situation but a case of private information where the parties had a reasonable expectation of privacy. The fact that the photographer had not agreed to be bound was irrelevant as he knew that the information was reasonably regarded by the couple as confidential.

Express obligation

Restrictive covenants can be included in the contract of employment and these will protect the employer even after the employment relationship has ended. They should not, however, be drafted too widely in either length or width, or the courts will find them unenforceable. The court will not rewrite a clause on behalf of the employer. Neither will they uphold a covenant that goes beyond the protection necessary for trade secrets; for instance, in an attempt to prevent competition or prevent the ex-employee using his skill and knowledge.



Don't be tempted to...

If a third party receives information knowing it to be confidential or in circumstances where a reasonable person would assume that the information is confidential, they too will be bound. If, however, they only later discover the confidential nature of the information they may be under an obligation from the time they become aware of its nature and their conscience will then become fixed. However, if the innocent third party has not agreed to be bound it would seem not to comply with the guidance in *Coco v Clark*, that the information must have been imparted in circumstances imposing an obligation of confidence.

Unauthorised use

The use must be detrimental to the party that communicated it. This can be economic damage or where there is harm to a person's social standing.

REVISION NOTE

Confidential information is extremely important in the pre-filing stage of a patent application. Refer to Chapter 5 on patentability.

Privacy

There is no right of privacy in English law but since 1998 Art 8 of the Convention for the Protection of Human Rights and Fundamental Freedoms has established that everyone has a right to respect for their private and family life, their home and correspondence. There is, however, a conflicting right in Art 10, the right to freedom of expression, and these rights can be at variance.

KEY DEFINITION: Private information

Information or conduct, the disclosure of which would be highly offensive to a reasonable person of ordinary sensibilities.

KEY CASE

***Campbell v Mirror Group Newspapers* [2004] 2 All ER 995, HL**

Concerning: misuse of private information and whether disclosure was in the public interest

Facts

Naomi Campbell, a 'supermodel', had claimed that she was not addicted to drugs. The *Mirror* newspaper published an article describing the treatment she was undergoing at Narcotics Anonymous and a photo of her coming out of a Narcotics Anonymous meeting.

Legal principle

By a majority decision the court decided that a role model can be exposed for hypocrisy, consequently drug treatment after denial of addiction was open to exposure. However, there is still a 'reasonable expectation of privacy' and the photograph was not necessary in order to demonstrate that she had lied.

There must be a balance between a right to privacy and the right to freedom of expression. There is some information that has an obvious 'reasonable expectation of privacy'. It must of course be personal, the claimant must not have intended to share it with the general public, and such **private information** will include information on health, sexual orientation, intimate relationships and finances. The information will not be private if it is generally accessible or if it relates to a criminal act.



Don't be tempted to...

Do not assume that photographs will be treated in the same way as other types of information. In *Campbell* the photographs taken on the street were held to be private and confidential. This seems to be a very great extension to matter that can be regarded as secret.

Exceptions

There are exceptions under the Human Rights Act in respect of, *inter alia*:

- National security
- Prevention of crime
- Protection of rights or freedoms of others.

■ Defences

There are defences of justification, or fair comment. Confidential information will not be protected where there has been wrongdoing or inappropriate behaviour. An important defence to an accusation of breach of confidence is that the publication was made in the public interest. The breach was necessary to allow the wrongful behaviour to be discovered. Consequently the public interest in the revelation of the information outweighs the plaintiff's right to confidentiality. But remember, just because information is of interest to the public does not mean it is in the public interest to know it. Also, some confidential relationships such as doctor/patient or solicitor/client are very important and disclosure would rarely be accepted as being justified. If, however, the disclosure was felt to be necessary, the information must only be disclosed to the appropriate authorities, never the newspapers.



Make your answer stand out

The second requirement in *Coco v Clark*, that the information must have been imparted in circumstances imposing an obligation of confidence, has been in some cases circumvented in recent years. However, this does not seem to be universal. Make your answer stand out by showing that you understand that there also seems to be a difference between quality of confidence and the treatment of commercial and private information. Private information is protected if there is a reasonable expectation of privacy, but should commercial information be protected if a person knew or ought to have known that it was confidential in nature? (The answer is no.)

For a discussion of this see Aplin (2007).

■ Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.



- Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the problem question at the start of the chapter.

Approaching the question

When answering a problem question such as this you must identify the legal issues. You then apply the law to the fact situation. Be careful to distinguish between what is and what is not relevant and then give coherent, logical and persuasive advice.

Important points to include

- Liz can claim breach of confidence and an injunction for the book and at least one of the photographs.
- Traditionally, under *Coco v Clark* confidential information needed:
 - (1) the necessary quality of confidences, not trivial, commonplace or in the public domain;
 - (2) imparted in a situation imposing an obligation of confidence;
 - (3) unauthorised use made by the party under the obligation.
- With private information after *Campbell* and *Douglas* it is no longer necessary to have a confidential obligation imposed. There is now an assumption that if information is private it is also confidential.
- Information about health matters such as depression will be regarded as private, as would a husband's adultery, unless Liz had public rows with her husband about it.
- A confidential duty now arises where a person knows or ought to know that there was a reasonable expectation of privacy, so the information in the book would be private and confidential.

- Once the information is held to be private the courts will then balance Articles 8 and 10 of the Convention for the Protection of Human Rights and Fundamental Freedoms.
- Olive claims the book is about her life and she has a right to freedom of expression (Art 10, Convention for the Protection of Human Rights and Fundamental Freedoms). The court is likely to hold that Olive's experiences were only a reflection of Liz's life and Liz's right to privacy outweighed any right of Olive's.
- In *Campbell* photographs were held to be private and an injunction was granted but here we must ask would Liz really have a reasonable expectation of privacy in walking along a public road, unlike in the walled garden?



Make your answer stand out

Stress that the fact that Liz did not talk about her life in public, that she had not exposed herself to media interest and that she was not held out as a role model is very important. She had not behaved hypocritically as had Naomi Campbell. Just because she is famous does not mean the public have a right to know all about her.

READ TO IMPRESS

- Aplin, T. (2007) 'Commercial confidences after the Human Rights Act', EIPR 411.
- Brazell, L. (2005) 'Confidence, privacy and human rights: English law in the twenty-first century', 11 EIPR 405.
- Carty, H. (2008) 'An analysis of the modern action for breach of commercial confidence: when is protection merited?', IPQ 416
- Lang, J. (2003) 'The protection of commercial trade secrets', 10 EIPR 462.

NOTES

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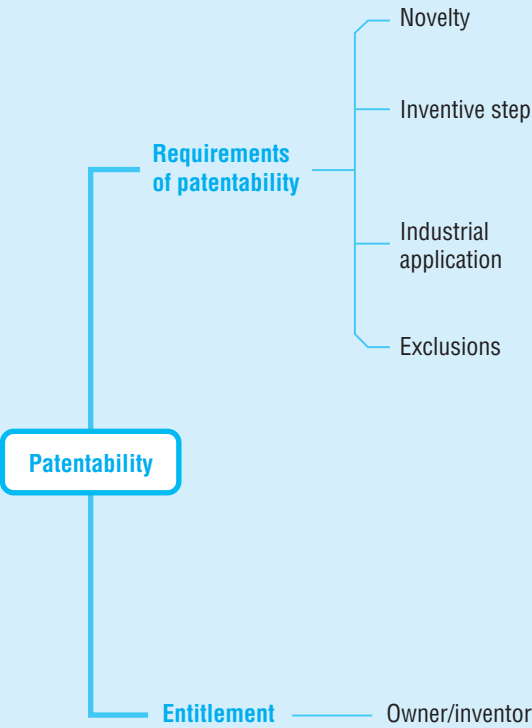
Patentability

Revision checklist

Essential points you should know:

- ☐ What is meant by 'novelty'
- ☐ What will destroy novelty
- ☐ What an enabling disclosure is
- ☐ What constitutes an inventive step
- ☐ What material a skilled person should take into account when assessing inventive step
- ☐ What inventions are capable of industrial application and which are excluded
- ☐ Who is entitled to claim to be the inventor or owner of an invention

■ **Topic map**



■ Introduction

Ideas by themselves are not protectable but in some circumstances 'ideas' can be developed into a successful patent application.

Patents are granted for new, non-obvious product or process inventions that have an industrial application and which have not been excluded from patentability. On payment of a fee a patent gives the owner a monopoly in a particular territory, enabling them to exploit the invention exclusively for a period of up to 20 years. Although the inventor benefits from the patent in that he can work, sell or license it, society also benefits because not only is innovation encouraged but the invention will eventually fall into the public domain.

ASSESSMENT ADVICE

There may be a question that incorporates patentability in your examination. Novelty may include issues of confidentiality and the date of filing. Inventive step may involve what appears to be a routine development rather than an inventive step. The issue of industrial application may need some discussion about the actual construction of the claim. Sometimes the facts seem to be very scientific, which can appear daunting but remember, you are not being asked to understand the science, you are being asked to apply the law. If you do this clearly and appropriately you should gain a good mark.

It is very important to remember when talking about patents that there are significant policy issues involved in this area of law. There is an underlying intention that society will benefit in two ways: by the innovation that will be encouraged by a period of monopoly given to the owner of the patent, then ultimately because the invention will become available to be exploited for the use of all. However, there are exclusions to the grant of a patent. These exclusions are also made for policy reasons.

■ Sample question

Could you answer this question? Below is a typical essay question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample problem question and guidance on tackling it can be found on the companion website.

ESSAY QUESTION

The Patents Act 1977 contains no definition of what an invention is for the purposes of obtaining a patent but a 'non-obvious advance in technology' would seem to be an adequate description.

Explain what an invention is and whether a 'non-obvious advance in technology' is a good definition.

Requirements of patentability

KEY STATUTE

Section 1 Patents Act 1977

'A patent may be granted ... if

- a) the invention is new
- b) it involves an inventive step
- c) it is capable of industrial application
- d) it is not excluded'

A new invention means new to the public, so that secret use will not destroy novelty. An inventive step is something that is not obvious to someone skilled in the art. 'Capable of industrial application' means that no matter how clever it is, unless it is a product or process which has a function there can be no patent granted. Finally, no patent will be granted for certain excluded inventions.

Novelty

KEY STATUTE

Section 2 Patents Act 1977

An invention shall be new if it does not form part of the state of the art. The state of the art comprises all matter (whether a product, a process, information about either, or anything else) which has at any time before the priority date been made available to the public (whether in the United Kingdom or elsewhere) by written or oral description, by use or in any other way. (The state of the art also includes matter in an application for another patent with an earlier priority date published on or after the priority date of the invention at issue.)

! Don't be tempted to...

To avoid being regarded as part of the state of the art the invention must not have been made available to the public in any way, anywhere in the world, at any time before the priority date. If it has it will have become part of the state of the art and thus novelty will have been destroyed. There are problems in what constitutes the 'use' that needs to be made of the invention to amount to making it available to the public, so you should consider this carefully.

If something has been available to the public in the past, even if in a far-off country and a very long time ago, it will not be regarded as new for the purposes of section 1 of the Patents Act. However, assuming it is indeed new, if you reveal your invention before the filing date in any way, by telling people (or even one person) about it, by writing an article in a journal or by giving a talk at a conference, novelty will be destroyed and you will be unable to obtain a patent unless your disclosure was made in circumstances of confidence.

REVISION NOTE

When considering novelty, remember that disclosures made in confidence will not become part of the state of the art. You should refer to Chapter 4 on confidentiality in relation to non-disclosure agreements.

KEY CASE

Lux Traffic Controls Ltd v Pike Signals Ltd [1993] RPC 107 ChD

Concerning: what use amounts to disclosure to the public

Facts

It was claimed that a temporary traffic signal was not 'new' because it had been made available to the public in a paper, by oral disclosure and by the use of a prototype which had been tested in public in Somerset.

Legal principle

A prior publication must contain clear and unmistakable directions to do what the patentee claims to have invented; a signpost will not suffice. Where prior use is concerned there is no need for a skilled person to actually examine the invention as long as they were free in law and equity to do so and if a skilled person had seen it they would have been able to understand what the inventive concept was.

5 PATENTABILITY

In contrast to *Lux*, if the prototype had been displayed in private and the people who actually saw it did not understand what they were seeing, no disclosure would have taken place.

KEY DEFINITION: The skilled person

The skilled person is an unimaginative person, or team of unimaginative people, with the common general knowledge available to a person in the field at the date of filing. They will only think the obvious and will not question general assumptions.

Note that a **skilled person** is needed to decide if there has been disclosure, for they understand the **state of the art** in the area of the invention. They do not actually have to see or touch the invention for it to have become available to the public, but they must have been free in law or equity to have done so.

KEY CASE

Synthon v SmithKline Beecham plc (No 2) [2006] RPC 323, HL

Concerning: the differing roles of the skilled person in relation to the concepts of disclosure and enablement

Facts

This was an appeal to the House of Lords by Synthon to revoke SmithKline's patent for an anti-depression drug. The application was based on the disclosure of Synthon's own flawed earlier patent application. SmithKline's patent was found to be invalid for lack of novelty based on s2(3) of the Patent Act 1977.

Legal principle

What is regarded as part of the state of the art includes things disclosed to a skilled person which, if performed, must infringe the patent. To decide if there was an enabling disclosure it is assumed that the skilled person would be willing to conduct trial and error experiments to get the invention to work.



Make your answer stand out

Section 2(3) is intended to prevent double patenting so that a prior, even unpublished, patent application destroys novelty. Make your answer stand out in a problem question where there had been an unpublished patent application by another to quickly explain that you understand that this is why this section is applicable only to the issue of novelty and not to the question of obviousness.

Synthon v SmithKline Beecham plc is an important case in this area and is discussed by Sharples and Curley (2006). They explain that to anticipate a patent the prior publication must contain clear and unmistakable directions to do what the patentee claims to have invented; a signpost needing trial and error experimentation will not suffice. Reference to this article would make your answer stand out by displaying wider reading and allow you to demonstrate a depth of understanding on this issue.

Any disclosure which can anticipate an invention must be viewed by the unimaginative skilled reader at the time of the publication. It must not be viewed with hindsight taking into account the present invention. The prior disclosure must not just be an indication, a possibility or a signpost but *must* lead to the present invention. However, the skilled man may use his unimaginative skill and knowledge plus trial and error experiments to attempt to make the prior disclosure work. Consequently the skilled man in *Lux Traffic Controls* (above) could experiment by driving up to the traffic lights at different speeds in order to see how to trigger the change of lights. If by this experimentation he is *bound* to discover the inventive concept, it has been disclosed. Enablement is different. With enablement the skilled man must, from what was disclosed, be able to make the invention work, using unimaginative trial and error experiments etc., and not just understand what it is.

EXAM TIP

Using headings when dealing with issues such as disclosure and enablement will ensure that you do not confuse them. Your reader will also understand that you know they are two separate concepts.

Inventive step

KEY STATUTE

Section 3 Patents Act 1977

‘An invention shall be taken to involve an inventive step if it is not obvious to a person skilled in the art, having regard to any matter which forms part of the state of the art ...’

To obtain a patent the invention must not only be new but it must also involve some invention or creative concept. This prevents a monopoly being created over things that are common general knowledge and should therefore be available for all to use.

! Don't be tempted to...

It is important to stress that an inventive step is not merely an obvious extension to what has gone before. It requires either the addition of a new idea to the existing stock of knowledge, or doing a new thing, achieving a goal or solving a problem. It is not possible to give a statutory definition of what constitutes an inventive step but guidelines have been established by the courts in the *Windsurfing* case to help in answering the question and you must be able to discuss these in detail.

KEY CASE

Windsurfing International Inc v Tabur Marine (CB) Ltd [1985] RPC 59, CA

Concerning: a structured way of approaching the problem of whether an invention is obvious to a person skilled in the art

Facts

The claimant had a patent for a windsurfing board and took action against the defendant for infringement of the patent. The defendants claimed that the patent should be revoked for invalidity as the invention had been anticipated in 1958 by a boy aged 12 who had used a similar sailboard while on a short holiday.

Legal principle

The court must identify the inventive concept of the patent, assume the mantle of the skilled but unimaginative person with common general knowledge of the time, identify the difference between the cited matter and the invention, then ask whether those differences constitute steps which would have been obvious or whether they require invention.

The inventive step must not have been obvious to a skilled man at the time of the invention as the next step to take; neither should it have been obvious to him to undertake trials to that end.

A member of the public would not be a useful comparator. Many people, especially with the advanced technologies, would find it all a mystery and would never understand how the invention worked or find it obvious, even if it were explained to them in great detail. The question of obviousness depends on the facts of each case. The existence of a long-felt want could indicate that the solution was not obvious. Large sales, however, may be due to other reasons, such as fashion or a better method of manufacture, rather than the inventiveness of this particular product or process. What matters is whether or not the innovation is technically obvious.

EXAM TIP

It has been accepted that the *Windsurfing* test is only to be regarded as guidance because it is not appropriate for as-yet undiscovered technologies. However, it is worth showing your examiner that you are aware that failure to apply these principles in court would probably result in an appeal.

KEY CASE

***Conor Medsystems Inc v Angiotech Pharmaceuticals Inc* [2008] 4 ALL ER 621
HofL**

Concerning: what to consider when identifying whether an inventive step was obvious

Facts

A stent was coated with TAXOL to prevent damage to the heart muscles during the process of angioplasty. Many drugs including TAXOL (a cure for cancer) could be tested. The specification only indicated that TAXOL *might* work and did not explain *how* it worked. Conor opposing registration, claimed that as any skilled person could say that something was worth trying [*might* work] the patent was not inventive.

Legal principle

There was no requirement that the specification had to explain how or why an invention worked. If there was enough in the specification to show that it was plausible that TAXOL would work, that was sufficient.

Industrial application

KEY STATUTE

Section 4 Patents Act 1977

‘... an invention shall be taken to be capable of industrial application if it can be made or used in any kind of industry, including agriculture.’

The most important issues related to industrial application will be dealt with under the heading of exclusions. Other than that, the invention must have some sort of use. But remember, it does not have to be better, cheaper or quicker than what came before; it just needs to be different.

Exclusions

KEY STATUTE

Sections 1 and 4A Patents Act 1977

Excluded from patentability are discoveries, scientific theories, mathematical methods, aesthetic creations, schemes, rules or methods for performing a mental act, playing a game, doing business, a program for a computer or the presentation of information '*as such*'. Also excluded are patents which are regarded as contrary to public policy or morality, methods of treatment of the human or animal body by surgery or therapy or of diagnosis practised on the human or animal body.

Some of the exclusions can be justified on the grounds of lack of technical effect. Many are abstract and related to information rather than inventions and more appropriately protected by copyright. Some are regarded as discoveries or knowledge that should be available for all to use, such as mathematical methods and the treatment or diagnosis of the human or animal body. However, treatment implies that there is some sort of illness or disease. Although such treatment is denied patent protection it is perfectly acceptable to patent a drug which is used in the treatment. In addition, there are further exclusions which are more controversial, such as those relating to business methods and in particular to computer programs. Please refer to Chapter 11.

! Don't be tempted to...

Although all these areas are excluded it is important to keep in mind that the tests for industrial application under section 4 and patentability under section 1 are separate. It is also important to remember that many of the things which are not to be regarded as inventions are abstract or intellectual and are more suited to being protected by copyright. Some, however, are excluded for public policy reasons. There is a feeling that methods of treatment should be available for all doctors or vets to use to treat their patients, even though the drugs used in those treatments may be granted a patent. A monopoly is regarded as necessary to make sure that the research and development costs of drugs companies are recouped to enable them to continue with further research leading to further innovation.

✓ Make your answer stand out

Many inventions that are patented arise out of a discovery but something further, some technical effect, is needed to make that discovery patentable. Make your answer stand out by commenting that this is very important in areas such as genetic engineering. See Aerts (2004).

EXAM TIP

Showing that you are aware of the 'bigger picture' is likely to please your examiner. So explain that even though the aim of both the EPO and UKIPO is for European harmonisation, they may have different views and that English courts are bound by previous English decisions. Keep in mind, when answering any question in this area, that exclusions are made for policy reasons and not because there is a coherent reason for them. Why should doctors be prevented from patenting their methods of treatment while drugs companies are able to monopolise life-saving drugs? Also offer practical advice, stressing that the first advice that should be given to any prospective patentee is to keep his invention confidential. If in doubt, say now!

■ Entitlement

There is a difference between the inventor and the proprietor or owner of a patent. Anyone may apply for a patent but the inventor must be identified in the application. A patent will only be granted to someone who is entitled to it, the inventor, their employer or someone to whom the invention has been transferred.

Owner/inventor

Patents are very valuable rights and often more than one person is involved in their creation. The first step in deciding who is entitled to be regarded as the inventor is to identify the inventive concept, and only then can you work out who was responsible for taking the inventive step. If it was created in the course of employment the employer will usually be entitled to ownership of the invention but compensation may be available to the employee if the patent is of outstanding benefit to the proprietor.

Most inventions are uncontroversial as to ownership and are made in the course of employment by people employed to invent. Disputes arise either where there is no expectation of invention on the employee's part but the employment contract attempts to claim ownership of all an employee's intellectual output, or where the inventor is

5 PATENTABILITY

in a managerial position within the company. Directors owe fiduciary duties to their company. They must always put the company's interests before their own and will be held to be under a special obligation to work in the best interests of the company. There is, however, a grey area in relation to lower managers where it is uncertain whether they owe such a special obligation or not.

KEY CASE

***IDA Ltd v University of Southampton* [2006] RPC 567, ChD**

Concerning: right to be considered the inventor

Facts

A university professor invented a cockroach trap which caused poisoned electronically charged talcum powder to attach to the legs of the insects. Having read about the invention, Mr Metcalf, although not knowing that the powder became attached to the insects, correctly suggested to the professor that magnetic powder might be more efficient than an electro-statically charged powder. The professor applied for a new patent using magnetic powder. It was decided that Mr Metcalf was the inventor after a dispute arose as to who had the right to the patent.

Legal principle

To be considered as an inventor a person does not have to be skilled in the art in question: all that is required is that the person provided the inventive aspect to the patent. Having common general knowledge was not enough to be inventive. Routine trials are not inventive; the question is whether they had contributed the heart of the invention.

Remember that although one person may be responsible for the inventive step, if it is impossible to separate individual contributions you may have joint inventors.

■ Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.
- ☐ Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the essay question at the start of the chapter.

Approaching the question

When asked to explain you need to write clearly and support what you say with relevant authority. However, you are then asked to in effect criticise the definition provided. To do this you must examine the strengths and weaknesses of the definition, justifying your conclusions with authority.

Important points to include

- Start by considering what an invention is.
- Novelty and the state of the art should be discussed.
- Describe the unimaginative but highly knowledgeable skilled person.
- Explain that the hypothetical presence of a skilled person in public is needed to destroy novelty (*Lux*).
- Now inventive step. Explain the statutory test and that the *Windsurfing* questions are just guidance.
- The difference between novelty and obvious concerning previously filed but not yet published patents can be commented upon.

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- Include the need for the invention to be capable of industrial application.
- It is now time to consider the exclusions under section 4A.
- You must then consider if the suggested definition is indeed a good one.
- You may conclude that it seems oversimplified. Explain that that innovations which are not regarded as capable of industrial application are not alluded to in this definition. An innovation may be non-obvious and an advance but may still not receive patent protection.



Make your answer stand out

- Explain that there is no definition of an invention because such a definition could reduce flexibility and could become a fetter on the development of the law in line with technological developments.
- Discuss the policy reasons relating to the exclusions showing your grasp of the 'bigger picture'.
- Discussing sufficiency demonstrates insight into the problems associated with inventing a way of making a product that was known to exist but could not previously be made.

READ TO IMPRESS

- Aerts, R.J. (2004) 'The industrial applicability and utility requirements for the patenting of genomic inventions: a comparison between European and US law', EIPR 349.
- Batteson, A. and Karet, I. (2009) '*Lundbeck v Generics* – "biogen insufficiency" explained', EIPR 51.
- Sharples, A. and Curley, D. (2006) 'Experimental Novelty: *Synthon v SmithKline Beecham*', 5 EIPR 308.
- Smith, H. (2007) 'Patents: obviousness – *Windsurfing* test restated', EIPR N118.

NOTES

NOTES

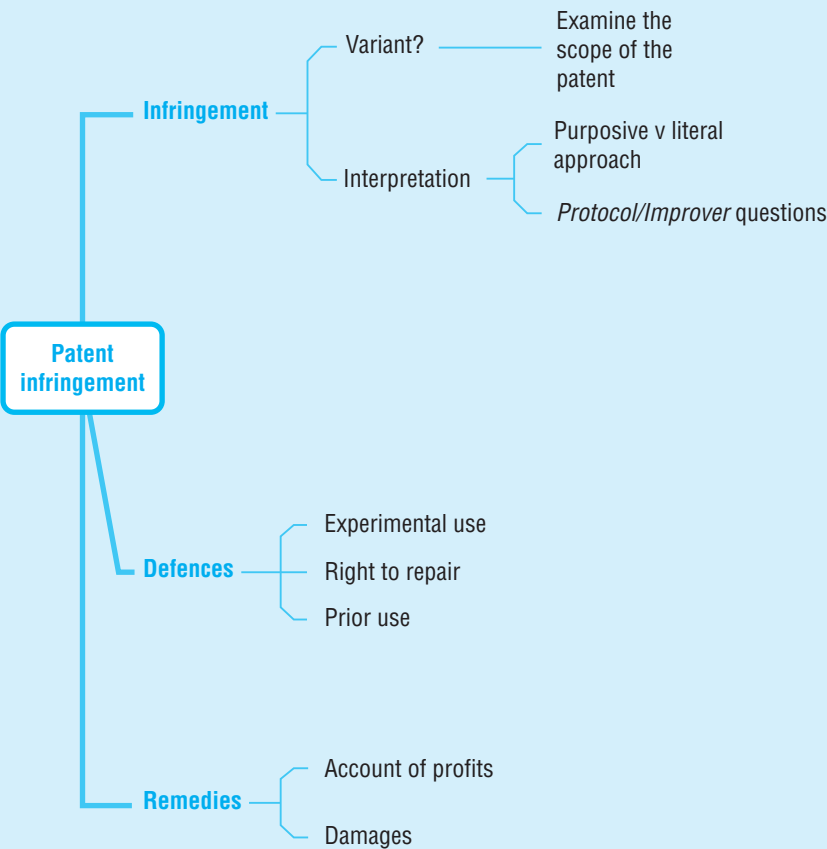
Patent infringement

Revision checklist

Essential points you should know:

- ☐ What acts amount to an infringing act
- ☐ What knowledge is required of the infringer
- ☐ How the scope of the invention is determined
- ☐ The function of the reader skilled in the art
- ☐ What is meant by a variant having a material effect
- ☐ The time at which the reader skilled in the art should consider the claim
- ☐ The view the skilled reader should take about the language of the claim
- ☐ Defences
- ☐ Remedies

■ Topic map



■ Introduction

A patent proprietor has a right to prevent all third parties from making or using the patented product or process without his consent.

Infringement occurs if a patented product or process is exploited within the UK without the patentee's consent. A patent has to be in force in order to be infringed, and commonly a defendant in infringement proceedings will try to establish that the patent is invalid. If successful, any infringement proceedings will come to a halt and the claimant will have lost their patent permanently.

Bar a claim of invalidity, if a patent is merely copied infringement proceedings may be quite straightforward. Problems arise where the invention has not been taken in its entirety but some feature has been changed or an additional feature included. Before it can be decided whether a patent has been infringed the invention must be defined. This entails looking at what has been specified in the claim as interpreted by the description and drawings. The interpretation of the specification has caused debate within the EU. In granting the strong monopoly right of a patent it is necessary to achieve a balance between fair protection of the patentee and reasonable certainty for third parties.

ASSESSMENT ADVICE

Essay questions An essay question may ask you to explain the development from the literal to the purposive approach of the interpretation of a patent claim including the status of the Protocol to Art 69 of the European Patent Convention (EPC). You will need to demonstrate an understanding not only of the relevant case law but also of the consequences to the patentee and third parties of each approach.

Problem questions A problem question could include issues relating to validity, prior use, defences such as repair and experimental use, and remedies. Although you must make sure that you identify and deal with the main issues thoroughly you must also ensure that any other points have been considered and dealt with in the depth appropriate for the question asked. Remember, it is how you apply your knowledge that will get you good marks. Make sure that your advice makes sense, is not conflicting and that the strengths and weaknesses of each issue are made clear.

■ Sample question

Could you answer this question? Below is a typical problem question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample essay question and guidance on tackling it can be found on the companion website.

PROBLEM QUESTION

Wendy invented and patented 'Dobbinsafe', an air-cooled horse exercise boot. The specification states that the boot is intended to prevent damage to a horse's leg caused by exercise-induced strain or by external striking. The boot is formed of a leg-embracing collar secured around a horse's leg and the surface of the boot includes at least one air intake, exit outlets and channels connecting the intake and outlets to allow coolant air or fluid to penetrate the surface and pass from one part of the boot to the other, hitting the horse's leg as it gallops. Wendy is aware that an Italian product, 'Ridesure', is being marketed in the UK. This horse exercise boot includes an outer layer which is made up of small holes throughout with an inner layer of foamed permeable material. This will allow air to flow into the boot and reach the leg when the horse is galloping. Wendy feels that the Ridesure boot infringes her patent.

Advise Wendy on the likelihood of an infringement action succeeding and what remedies are available if her patent is found to have been infringed.

■ Infringement

KEY DEFINITION: Patent infringement

Infringement occurs if a validly patented product or process is exploited within the UK without the patentee's consent and with no defence available.

Remember that if **patent infringement** proceedings are commenced it is common for the defendant to attempt to have the patent revoked. If successful there will be no valid patent and therefore no infringement.

! Don't be tempted to...

Don't let the facts worry you. The facts of cases in this area can seem very confusing to non-scientists but the law itself is on the whole quite clear, although there is a conflict between the interpretation of the English courts and those of some other European countries.

KEY STATUTE

Section 60(1) and (2) Patents Act 1977

A person infringes a patent for an invention if in the UK and while the patent is in force they, without the consent of the proprietor, make, dispose of, offer to dispose of, use, import or keep a patented product. Where the invention is a process, a person infringes a patent if they use or offer it for use when they know, or it is obvious to a reasonable person in the circumstances, that its use in the UK without the consent of the proprietor would be an infringement of the patent. Infringement also occurs where, if the invention is a process, a person disposes of, offers to dispose of, uses, imports or keeps any product which was obtained directly by means of that process. In addition a person also infringes a patent if in the UK they supply or offer to supply the means, or essential element of the invention, for putting the invention into effect when they know, or it is obvious to a reasonable person in the circumstances, that those means are suitable for putting, and are intended to put, the invention into effect in the UK.

EXAM TIP

Be careful about the culpability of the infringer to determine if damages are available. Do not forget that the knowledge required of the infringer is different depending on whether you are talking about a product or a process. There is no requirement of knowledge for infringement of a product; liability is strict unless there is a defence available. For infringement of a process it must be obvious to a reasonable person that the patent is being infringed. Although it is unlikely that there will be an examination question concerning the section 60(2) act of 'supplying the means' you should still be aware that it exists.

What if there is a variant?

If an invention has been copied exactly the only problems that may arise will relate to the validity of the patent and any defences. However, if there is a variation this may still give rise to a successful infringement action.

Examine the scope of the patent

Section 125(1) of the Patents Act 1977 is in effect the same as Article 69 of the European Patent Convention and states that the invention is regarded as what is specified in the claim as interpreted in the description and any drawings.

KEY STATUTE

Section 125(1) Patents Act 1977

An invention for a patent for which an application has been made or for which a patent has been granted shall, unless the context otherwise requires, be taken to be that specified in a claim of the specification as interpreted by the description and any drawings contained in that specification. The extent of the protection conferred by a patent shall be determined accordingly.

How is this to be interpreted?

The protocol on the interpretation of Article 69 states that it should not be interpreted by the strict, literal meaning of the wording used in the claims, the description and drawings being employed only for the purpose of resolving any ambiguity. Neither should it be interpreted using the claims only as a guideline. A position between these extremes should be taken which combines a fair protection for the patentee with a reasonable degree of certainty for third parties.



Don't be tempted to...

Do not confuse the interpretation of the claim with the interpretation of the protocol. The protocol concerns the interpretation of Article 69, not the interpretation of claims. Article 69 EPC states that the claim must be construed in order to decide what is the monopoly right of the patentee. But we are still left with the question of how the courts should interpret the claim.

The purposive v literal approach

KEY DEFINITION: Purposive approach

The purposive approach looks at the purpose or reason for making the claim.

The literal approach is the traditional approach taken by lawyers and favoured in the UK. It provides great certainty to third parties. Any deviation from the words in the claim will mean there is no infringement. The **purposive approach** looks at the purpose or reason for making the claim. Deviation from the words used can be quite wide but still fall within what may have been envisaged as intended to be claimed by the patentee. This gives wider protection to the patentee but adds uncertainty to third parties who may or may not find themselves having infringed the patent.

KEY CASE

Catnic Components Ltd v Hill & Smith Ltd [1982] RPC 183, HL

Concerning: the interpretation of the claim and whether a minor variation would avoid a successful infringement action

Facts

The claimant had a patent for a lintel which stated that the rear face was vertical. The defendant was held to have infringed the patent, having made a similar lintel but with a rear face which was 6 degrees from vertical.

Legal principle

A patent specification should be given a purposive construction aimed at the skilled workers in the field rather than a purely literal interpretation designed for lawyers.

In order to take a balanced approach one must ask whether a **person skilled in the art** would understand that strict compliance with a particular word or phrase was intended by the patentee to be an essential requirement of the invention. If so, any variant that did not comply would fall outside the claim regardless of whether it had any effect. If the variant did have a material effect, there would be no infringement.

KEY DEFINITION: Person skilled in the art

The person skilled in the art is an unimaginative person, or team of uninventive people, with the common general knowledge available to a person in the relevant field at the date of filing. They will only think the obvious and will not question general assumptions.

EXAM TIP

Show that you are aware that a purposive interpretation can lead to greater protection for the patentee but uncertainty for the third party who, having read the specification, may infringe unintentionally. Although a fair balance is needed you could observe that the patentee has the opportunity to draft his claim as widely as he chooses and if he fails to do so he only has himself to blame.

The Protocol questions (formally known as the Improver questions)

The *Catnic* case demonstrated that using the purposive interpretation 'vertical' would easily be seen by the skilled person as being intended to include 'slightly off vertical'. There was a greater problem of interpretation, however, if the variant of a rubber rod was used rather than a helical spiral, as specifically mentioned in the claim.

KEY CASE

Improver Corp v Raymond Industries Ltd [1991] FSR 223, CA (Hong Kong)

Concerning: guidance on how to interpret a claim when there is an equivalent

Facts

The claimant had a patent for the 'Epilady', a device claiming use of a helical spring for removing hair from arms and legs. The defendant had a similar device called 'Smooth & Silky' which performed the same function but used a rubber rod rather than a spring. This was held to be outside the claim.

Legal principle

The court should ask itself the following three questions:

- (1) Does the variant have a material effect on the way the invention works? If yes, the variant is outside the claim (and does not infringe). If no?
- (2) Would this (i.e. that the variant had no material effect) have been obvious at the date of publication of the patent to a reader skilled in the art? If no, the variant is outside the claim. If yes?
- (3) Would the reader skilled in the art nevertheless have understood from the language of the claim that the patentee intended that strict compliance with the primary meaning was an essential requirement of the invention? If yes, the variant is outside the claim.

We are left with having to decide what a person skilled in the art would have understood the patentee to have used the language of the claim to mean. Remember however that the *Protocol/Improver* questions merely provide guidance in trying to address this problem (see *Kirin-Amgen*, below). The courts do not intend to give the patentee more than can be found within the claim.



Don't be tempted to...

Do take into account *new* areas of high technology. The *Protocol/Improver* questions may not be helpful in a rapidly developing high technology field such as genetic engineering. Whether a patentee should have worded their claim to include a rubber rod in addition to a spring may be an obvious and reasonable expectation. A patentee in a rapidly developing field would have to word their claim in a way that included the new, as yet unheard-of, technology (see *Kirin-Amgen*). Surely an impossibility!

KEY CASE

Kirin-Amgen Inc v Hoechst Marion Roussel Ltd [2005] RPC 169, HL

Concerning: whether the Protocol questions could be used to decide if the skilled person could envisage how a new technology would work

Facts

The claimants, KA, were the proprietors of a patent which used DNA technology in a host cell to artificially produce a hormone EPO. This increased the production of red blood cells in the kidney, thereby increasing iron uptake. It was found that the defendant had not infringed this patent by making EPO using a variant of the process. It would not in this case have been obvious to a person skilled in the art that the variant worked in the same way as the invention, nor would they regard the claim as being sufficiently general to be intending to cover unknown technology at the time the claim was drafted.

Legal principle

The *Protocol* questions are merely a guide to determine what the person skilled in the art would have understood the patentee to be using the language of the claim to mean. It is the principle laid down in *Catnic* that must be followed.

EXAM TIP

Highlight that despite the purposive approach it is still up to the inventor to specify the extent of his monopoly. If he has not claimed something it is not up to the court to rewrite the specification. He may have left something out for a sensible reason such as avoiding prior art or the accusation of lack of inventive step. Remind your reader that the patents and their claims are meant to be statements made by the patentee to the relevant public, and their meaning and effect should be clear from reading the document.

When asking the second *Protocol/Improver* question it is easy to see that it should have been obvious that a helical spiral could have the same effect as a rubber rod with slits. It is far less easy to see how a patentee could have intended to cover something in their claim that had not yet been invented at the filing date. It could not have been obvious to the skilled person as they had no concept of its existence and so the second *Improver* question is not appropriate in this sort of circumstance. It is necessary, as stated in *Kirin-Amgen*, to fall back on *Catnic* and ask what the person skilled in the art would have understood the patentee to be using the language of the claim to mean. If that language can be construed to cover things not yet in existence then there can be infringement; if not, there will be no infringement.



Make your answer stand out

The article by Curley and Sheraton (2005) clearly follows the development of the interpretation of Article 69, discussing the *Catnic*, *Improver* and *Kirin-Amgen* cases. Make your answer stand out by explaining that they argue that in *Amgen* Lord Hoffmann concludes that the *Catnic* approach to construction which led to the *Protocol/Improver* questions was 'precisely in accordance with the protocol' but that the *Improver* questions are merely guidelines useful in interpreting the law. Hoffmann, they state, also makes it plain that although it is not possible to extend the scope of the patent it is acceptable to take due account of any element which is equivalent to an element specified in the claims. This would be an important part of the background of facts known to the skilled man which would affect what he understood the claim to mean. The late Professor Laddie however, argued that *Kirin-Amgen* was wrongly decided and that there should be an extension of protection beyond the claim in line with the German interpretation of the Protocol. See Laddie (2009).

■ Defences

You must always pause to consider whether a defence is available, even if you quickly discount the possibility. The exceptions to infringement are set out in s60(5) (a–f). In effect they all amount to innocent infringement. Defences include when an invention has been worked, or serious preparations to work it have been made before the **priority date**, or where ships, aircraft, etc. are for a limited time (even if frequently) or accidentally in the UK. There are also defences aimed at farmers: an unlikely topic for an examination question, and where there is exhaustion of rights under European Community law. It must always be kept in mind that if an infringement action is started the defendant may in return attack the validity of the patent, most commonly attempting to have it revoked for lack of novelty or inventive step.

Experimental use

There are some things that are no threat to the commercial exploitation of the patent and may indeed benefit the furtherance of knowledge in our society. These things are therefore specifically allowed.

KEY STATUTE

Section 60(5) Patents Act 1977

‘An act which, apart from this subsection, would constitute an infringement of a patent for an invention shall not do so if –

- (a) It is done privately and for non-commercial purposes
- (b) It is done for experimental purposes relating to the subject-matter of the invention’

There is a defence of private use but the use must be for the person’s own use *and* not for any commercial purposes. If there were mixed purposes, one to generate information and one to make a profit, you must establish which was the main purpose.

KEY CASE

***Auchincloss v Agricultural & Veterinary Supplies Ltd* [1997] RPC 649, CA**

Concerning: what acts amounted to experimental use for s60(5)(b)

Facts

The patent was for a dry, water-soluble biocidal composition which the claimant alleged had been infringed by the manufacture of an experimental sample which

6 PATENT INFRINGEMENT

had been made for and supplied to MAFF by the defendant in order to obtain official approval.

Legal principle

Trials to discover something unknown or to test a hypothesis are regarded as legitimate experiments but trials carried out to reaffirm what is already known or to show that a product works or to obtain official approval are not.

In addition a monopoly should not be allowed to inhibit scientific developments and as experimental use does not pose a threat to the patent holder it is allowed. Experimentation must be on the invention itself, it cannot be use of the invention for experimental purposes on something else.

EXAM TIP

Experimentation is often illegitimately undertaken during the life of a patent in order to swiftly enter the market as soon as the patent expires. It would make your answer stand out if you included some mention of available remedies such as post-expiry injunctions or 'springboard relief'. The courts have granted injunctions to run after the expiry of the patent in order to prevent a person selling articles made during the subsistence of the patent, thus putting them in the position they would have been in if they had not 'jumped the gun'. However, point out that such relief is unlikely and damages may be a more appropriate remedy.

Right to repair

KEY STATUTE

Section 60(1)(a) Patents Act 1977

A person infringes a patent for a product invention if he *makes* the product.

We can see that there may be a fine line between making a product, which is an infringement, and repairing a product, which is allowed. Which it is, is a question of fact.

KEY CASE

United Wire Ltd v Screen Repair Services (Scotland) Ltd [2001] RPC 439, HL

Concerning: the existence and scope of the right of repair

Facts

The claimant was the proprietor of a patent for sifting screens, a mesh screen bound to a frame, which was used to recycle drilling fluid. The mesh frequently wore out and the defendant reconditioned the screens by applying new meshes to the existing frames. H of L held that the screen was the combination of the frame and meshes and had ceased to exist when the meshes were removed. This was held not to be repair but to be manufacture and hence an infringement.

Legal principle

It is a matter of fact and degree but genuine repair of a product does not constitute making the product and is therefore not an infringement.

Prior use

KEY STATUTE

Section 64(1) Patents Act 1977

‘Where a patent is granted for an invention, a person who in the United Kingdom before the priority date of the invention –

- (a) does in good faith an act which would constitute an infringement of the patent if it were in force, or
- (b) makes in good faith effective and serious preparations to do such an act, has the right to continue to do the act or, as the case may be, to do the act, notwithstanding the grant of the patent; but this right does not extend to granting a licence to another person to do the act.’

This defence will only be available where the prior use was not only in good faith but also secret, for otherwise the use would have anticipated the patent. Section 64, however, only provides a defence and there is no right to licence others to do the prior act.



Make your answer stand out

Make your answer stand out by explaining that patent protection aims to balance the benefit to society by encouraging innovation and the spread of knowledge with the monopoly given to the patentee. Section 64 is part of that balance and is intended to safeguard the existing commercial activity of a person in the UK which may have been overtaken by the subsequent grant of a patent. It is not, however, meant to allow him to expand into other areas at the expense of the patentee. Hence, although it depends on the circumstances, 'effective' must be more than just preparation to do an act; the infringing act must be about to be done. For a clear explanation of s64 and why the problem might arise see Cohen and Davies (1994).

Remedies

The remedies available for infringement of a patent are found in section 61 and include an injunction, a discretionary remedy, an order for delivery up or destruction, damages, an account of profits, and a declaration that the patent is valid and has been infringed by the defendant.

EXAM TIP

When discussing these remedies it would be worth explaining that they are a non-exhaustive list and could be expanded. Do not forget that damages and an account of profits are alternatives and may not, by section 61(2), both be awarded in respect of the same infringement. So do not ask for a remedy that is not available. However, do not omit to mention that the court has discretion to award damages in lieu of, or in addition to, an injunction.

Account of profits

Bear in mind that the purpose of an account of profits is not to punish the defendant but to prevent his unjust enrichment. They are an alternative to damages but are rarely asked for in patent cases because of the complexity in quantifying them.

Damages

Damages are often based on the value of the royalties that the infringer would have paid had he taken a licence. Otherwise damages will be based on normal considerations of causation and remoteness but you would not normally be expected to discuss these issues in any depth unless you are specifically asked to do so.

EXAM TIP

There will often be a few words at the end of a problem question asking you to consider what remedies will be available to the parties. Be aware that 'innocent' infringers may escape some of the remedies. Damages are not available if the defendant can prove that, at the time of the infringement, he was not aware and had no reasonable grounds for supposing that the patent existed.

REVISION NOTE

Make sure that you keep in mind the validity issue covered in Chapter 5 when answering any question on infringement, as it is common for the defendant in such a case to claim that the patent is invalid for some reason.

■ Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.
- ☐ Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the problem question at the start of the chapter.

Approaching the question

Problem questions are intended to test your ability in applying legal principles to complex factual situations. Do not summarise the facts of the scenario but go to the heart of the problem by identifying the relevant legal issues.

Important points to include

- To decide if there has been infringement you must first determine what is the monopoly claimed by Wendy.
- Section 125 says you must look at the claim, description and any drawings. Here the claim is for the 'air intake, exit outlets and channels connecting the intake and outlets to allow coolant air or fluid to penetrate the surface, pass from one part of the boot to the other hitting the horse's leg as it gallops'.
- In *Catnic* it was stated that the purposive construction should be taken.
- Guidance is given on this approach in the three *Protocol/Improver* questions.
- In *Kirin-Amgen* it was stated that the question should be what the skilled person in the art would have understood the patentee to be using the language of the claim to mean.
- You could assume that the skilled person is knowledgeable in the field of exercise boots for horses.
- The question to be posed here is: Would the person skilled in the exercise boots field understand that in Wendy's boot the air or fluid was to be guided to the horse's leg through the outlets and channels alone, or would they understand that she was claiming that the air was to flow freely throughout any permeable material?
- If you decide on the former there is no infringement, and if on the latter there could be infringement if there are no defences.
- When discussing remedies you should mention that an injunction is the most common remedy sought and that although an account of profits is available it is an alternative to damages.



Make your answer stand out

Stress that you understand that taking the literal approach to the interpretation of the claim would mean that any derivation from the words of the claim will not give rise to infringement while adopting the purposive approach would give Wendy much stronger protection. You could also point out that although the *Protocol/Improver* questions are only guidance, failing to ask these questions may give rise to an appeal.

READ TO IMPRESS

- Cohen, S. and Davies, I. (1994) 'Section 64 of the UK Patents Act 1977: Right to continue use begun before priority date', EIPR 239.
- Curley, D. and Sheraton, H. (2005) 'The Lords rule in *Amgen v TKT*', EIPR 27.
- Freeland, R. and Blachman, G. (2009) 'The law of insufficiency: is Biogen still good Law?', EIPR 478.
- Laddie, H. (2009) '*Kirin-Amgen* – the end of equivalents in England?', IIC 31.

NOTES

NOTES

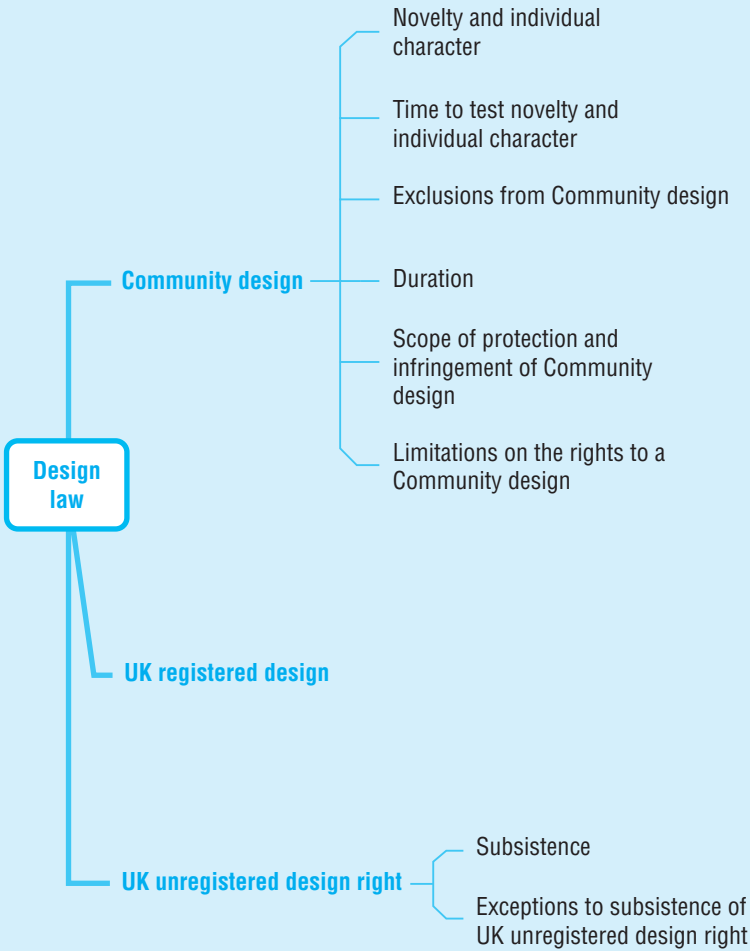
Design law

Revision checklist

Essential points you should know:

- ☐ The rules for subsistence of the Community design and the UK registered design
- ☐ Definitions of 'design', 'product' and 'complex product'
- ☐ What novelty and individual character mean
- ☐ Key concepts such as 'informed user', 'immaterial differences' and 'commonplace'
- ☐ The requirements for subsistence of the UK unregistered design right
- ☐ Key concepts such as 'commonplace', 'must-fit' and 'must-match'
- ☐ The similarities and differences between the various rights in designs
- ☐ What constitutes infringement of registered designs and unregistered designs

■ **Topic map**



■ Introduction

A design may be protected in a number of ways, especially by the Community design, the UK registered design and the UK design right.

Design law often appears complex to students because there are four main different forms of design right protection, being the Community design (registered and unregistered, RCD and UCD respectively), UK registered design (UKRD) and the UK unregistered design right (UDR). The latter is quite different from the other forms of protection for which the basic rules for registrability (for the RCD and UKRD) or subsistence (UCD) are basically the same. To make matters worse, there may also be some overlap with trade mark law and copyright. For example, a non-trivial and distinctive computer icon may be registered as a design (RCD and UKRD), protected by the UCD, registered as a trade mark and protected by copyright. It will not, however, be protected by the UDR.

ASSESSMENT ADVICE

Essay questions You may be asked to discuss the protection of spare parts under design law, in particular under-the-bonnet parts and parts that have to be a particular shape to restore the original appearance of a complex article. Other areas ripe for essay questions include the rationale for two forms of Community design (registered and unregistered).

Problem questions Problem questions on Community designs are likely to focus on registrability (RCD) or subsistence (UCD) and infringement. You may be asked to apply concepts such as the 'informed user', 'overall impression' and 'design freedom' to particular cases. For the UK unregistered design right, the effect of the permitted act under section 51 of the Copyright, Designs and Patents Act 1988 effectively suppresses copyright protection in design documents and models.

■ Sample question

Could you answer this question? Below is a typical essay question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample problem question and guidance on tackling it can be found on the companion website.

ESSAY QUESTION

The existence of the UK's unregistered design right compromises the scheme of protection set out in the Community Design Regulation.

Critically discuss this statement with reference to subsistence of the rights and limitations to them.

REVISION NOTE

Try thinking of a number of different products or articles and consider which of the design rights might apply to them, assuming that they are new and distinctive.

Community design

There are two forms of **Community design**, one subject to registration (RCD), the other informal (UCD). The basic requirements for both are the same (apart from the date at which novelty and individual character is tested).

KEY DEFINITION: Community design

A community design has a unitary character and has equal effect throughout the Community. It may only be registered, transferred, surrendered, declared invalid or its use prohibited in relation to the entire Community.

The design must conform to the key definitions of 'design', 'product' or 'complex product'; it must be new and have individual character (and not fall within the exclusions; see later).

KEY STATUTE

Article 3 Community Design Regulation OJ 2002 L341

- (a) 'design' means the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation;
- (b) 'product' means any industrial or handicraft item, including *inter alia* parts intended to be assembled into a complex product, packaging, get-up, graphic symbols and typographic typefaces, but excluding computer programs;

- (c) 'complex product' means a product which is composed of multiple components which can be replaced, permitting disassembly and re-assembly of the product.

Article 4(1) Community Design Regulation

A design shall be protected by a Community design to the extent that it is new and has individual character.

Novelty and individual character

A design is new if no identical design (including a design with features which differ only in immaterial details) has been made available to the public. However, there is a proviso to this and a pre-existing design will be disregarded if it could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned operating in the Community.

A design has an individual character if the overall impression it produces on an **informed user** differs from the overall impression produced on such a user by any design which has been made available to the public.

KEY CASE

Green Lane Products Ltd v PMS International Group Ltd [2008] EWCA Civ 358, CA

Concerning: novelty and the scope of the prior art

Facts

A challenge to the validity of the claimant's Community design for spiky laundry balls was based on the defendant's similar shaped spiky balls used for massaging the human body.

Legal principle

The prior art is not limited to the particular product for which the design was registered, as the scope of infringement is not limited to the product for which it was intended to apply the design. For example, the registration of a design applied to motor cars would protect also against its use for toys.

The purpose of the proviso about a design not being known in the normal course of business to the circles specialised in the sector concerned operating in the Community is to prevent counterfeiters outside Europe claiming some obscure prior art so as to defeat a Community design.

7 DESIGN LAW

The ‘informed user’ is not the same as the ‘average consumer’ of trade mark law. The informed user has experience of similar products and will be reasonably discriminatory and able to appreciate sufficient detail to decide whether or not the design under consideration creates a different overall impression. The degree of design freedom is taken into account.

KEY CASE

Pepsico Inc’s design (No ICD000000172, 20 June 2005) OHIM

Concerning: individual character and design freedom

Facts

This design in question was for a disk having annular rings or corrugations applied to a promotional item for games. There was a challenge to the validity of the design. The design was declared invalid.

Legal principle

The informed consumer would be familiar with promotional items and would pay more attention to graphical elements rather than minor variations in shape. Furthermore, although there were some constraints to design freedom, these were to do with cost and safety and, otherwise, there was ample design freedom. Thus, the informed user may focus on certain aspects of a design and design freedom should be looked at in the round, and some constraints may be present without significantly reducing the overall design freedom. Reasons for design freedom may be a relevant factor to be taken into account.

Time to test novelty and individual character

The time when a design has been made available to the public differs between the RCD and the UCD. This is further complicated as the RCD provides for the priority of earlier applications elsewhere for up to six months.

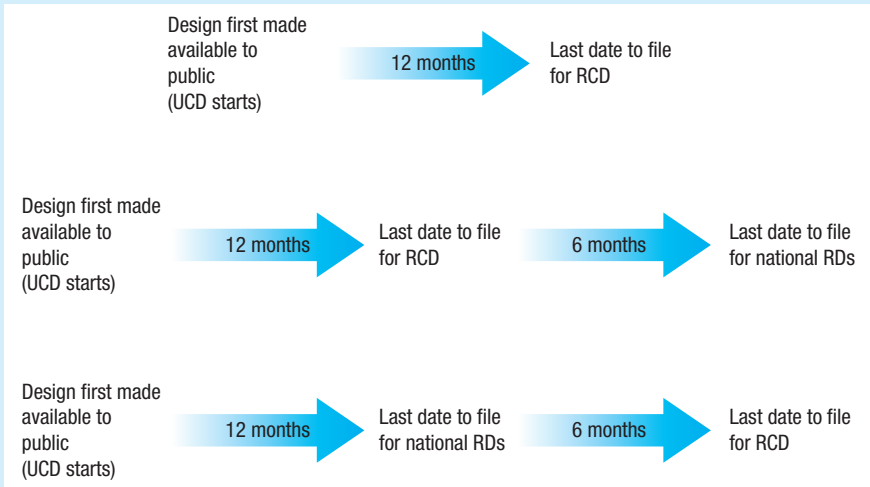
- RCD relevant date is the date of filing the application, or earlier priority date if there is one.
- UCD relevant date is the date the design itself is first made available to the public.

There is a 12-month period of grace for the RCD so, for example, the designer may market products to the design during that period before filing the application to register.

‘Under-the-bonnet’ parts which are not seen during normal use of a complex product are not considered to be novel or to have individual character.

! Don't be tempted to...

It can be tricky working out the dates for testing novelty and individual character. Be aware of the impact of the period of grace and, if applicable, the priority date. These rules can often be very important in problem questions and a mistake can really mess up the rest of your answer. The figure below shows three possibilities (there are more).



Exclusions from Community design

- Features dictated by technical function.
- 'Must-fit' features (except in respect of modular systems which are protectable in principle).
- Designs contrary to public policy or morality.
- 'Must-match' spare parts used to restore the original appearance of a complex product.

The last exception is easily missed as it is buried away in Article 110 of the Community Design Regulation (transitional provisions). The exception is subject to review but is likely to remain. Note that the presence of excepted features does not prevent protection of other features. For example, a design of a teapot with an overall shape which is well-known but which has a new design of spout having individual character may be protected. The scope of protection will be limited accordingly.

KEY CASE

3M Innovative Properties Co's designs (No ICD000000040, 14 June 2004) OHIM

Concerning: the scope of the exclusion of features dictated by function

Facts

The design in question was in respect of a swab on a stick used to dispense antiseptic to the skin.

Legal principle

Where part of a design is dictated by function, the informed user will concentrate on the other aspects of the design to determine whether the design has individual character.

Duration

- RCD – 5 years from the date of filing. It may then be renewed for further periods of 5 years up to a maximum of 25 years.
- UCD – 3 years from the date the design was first made available to the public.

For the purposes of the UCD in determining the start of the 3 years, it is made available to the public when it is published, exhibited, used in trade or otherwise disclosed in such a way that, in the normal course of business, these events could reasonably have become known to the circles specialised in the sector concerned within the Community. No account is taken of disclosure by a person under an express or implied duty of confidentiality.



Don't be tempted to...

Be careful not to assume that, being an informal right, the UCD is the same as a short-term copyright. The rules on subsistence, exceptions and infringement are different (though the same design may be protected by both rights, for example, in the case of an artistic work). Another important distinction is that the duration of the UCD is not measured from the end of the calendar year during which the design was created, but is based on the date that the design was first made available to the public.

Scope of protection and infringement of Community design

The scope of protection for a Community design resembles the test for individual character in that it is a question of whether the alleged infringing design, from the perspective of the informed user, does not produce a different overall impression compared with the protected design. Design freedom is taken into consideration.

KEY STATUTE

Article 10 Community Design Regulation OJ 2002 L341

- (1) The scope of protection conferred by a Community design shall include any design which does not produce on the informed user a different overall impression.
- (2) In assessing the scope of protection, the degree of freedom of the designer in developing his design shall be taken into consideration.

The registered Community design gives the rightholder a monopoly right which is infringed by a person using it without the rightholder's consent. Use, in particular, includes making, offering, putting on the market, importing, exporting or using a product in which the design is incorporated or applied, or stocking such a product for those purposes.

For the unregistered Community design, it is required that the use in question results from copying the protected design. This also applies during the period of deferred publication where the design is registered but publication has been deferred. An applicant to register a Community design can defer publication by up to 30 months from the filing date, hence delaying the payment of the publication fee.

KEY CASE

***Procter & Gamble Co v Reckitt Benckiser (UK) Ltd* [2008] FSR 8, CA**

Concerning: individual character

Facts

This was a case on the alleged infringement of a registered Community design applied to a spray container for air fresheners.



Legal principle

To escape infringement, a design did not have to be 'clearly different' and it was sufficient if it differed in a way that the informed user was able to discriminate. The notional informed user would be fairly familiar with design issues and was more discriminating and careful than the average consumer of trade mark law. What mattered was what stuck in the mind of the informed user when he viewed the products, not after he had viewed them, and consequently, 'imperfect recollection' had a limited role to play. Where design freedom was limited, smaller differences could create a different overall impression. The trial judge erred by applying a 'stick in the mind' test rather than a 'what would impress now' test and his finding that there was infringement was reversed.

Limitations on the rights to a Community design

The rights to a Community design (registered or unregistered) do not extend to the following acts:

- Acts done privately and for non-commercial purposes.
- Acts done for experimental purposes.
- Reproduction for citation or teaching in accordance with fair practices without unduly prejudicing the normal exploitation of the design, providing the source is mentioned.
- Acts in respect of the repair of ships or aircraft temporarily in the Community.

Furthermore, the doctrine of exhaustion of rights applies to Community design. For the registered Community design, there are also provisions in relation to prior use commenced in good faith before the filing date (or priority date, if there is one) or where serious and effective preparations have been made to commence use, providing such use did not involve copying the registered design.



Make your answer stand out

Show that you understand the logical justification of having a registered and unregistered Community design as well as a period of grace. For example, it may be that the design in question has short-term commercial viability or the owner may wish to delay registration to see if the design is a commercial success. In an essay question use examples of designs applied to different types of products to bring your answer to life.

■ UK registered design

The UK registered design was modified substantially as a result of the Directive harmonising registered design law throughout the Community. As a result, the basic principles, such as subsistence and the scope of the rights of the owner, are virtually identical to those for the registered Community design except, of course, references to the Community are to the UK.

KEY CASE

Rolawn Ltd v Turfmech Machinery Ltd [2008] EWHC 989 (Pat), HC

Concerning: informed user

Facts

This was a case on the alleged infringement of a UK registered design for wide area lawnmowers used in the turf growing and selling industry.

Legal principle

The informed user was not a narrow concept and, in this case, included those who used machines in the turf growing industry not limited to mowing machines.

EXAM TIP

Be prepared to use authorities on the UK registered design in problems on the Community design and vice versa where issues of subsistence are involved as the basic rules are equivalent. Say why you are doing this and give appropriate weight to cases before the Court of Justice.

The UK Registered Designs Act 1949, as amended, has specific provisions as to ownership and remedies (more detailed than is the case under the Community Design Regulation). For example, where the creation of a UK design occurs under a commission for money or money's worth, the person commissioning its creation will be entitled to be the proprietor of the design. The remedies for infringing a UK registered design are the same as for infringement of a Community design. There are also provisions for delivery up, disposal of infringing articles, etc.

KEY STATUTE

Section 24A(2) Registered Designs Act 1949; regulation 1A(2) Community Designs Regulations 2005/2339, as amended

In an action for infringement [of a Community design] all such relief by way of damages, injunctions, accounts or otherwise is available to him [to the holder of a Community design] as is available in respect of the infringement of any other property right.

[wording relevant to the Community design]

There is also a remedy for groundless threats of infringement proceedings which also applies in respect of a Community design (registered and unregistered). There is an equivalent remedy for the UK unregistered design right.



Don't be tempted to...

It is tempting to think that the rules for determining ownership of (entitlement to) a Community design are the same as for the UK registered and unregistered design rights. They are not. In particular, there is no provision for the RCD or UCD to automatically vest in the commissioner of a design. A person commissioning the creation of a design protected under the Community Design Regulation must seek an assignment of the rights under the Regulation, as confirmed by the Court of Justice.

UK unregistered design right

The UK unregistered design right was introduced by the Copyright, Designs and Patents Act 1988 in an attempt to overcome the problems of protection of functional designs by means of copyright in drawings showing the designs, as highlighted in *British Leyland Motor Corp v Armstrong Patents Co Ltd* [1986] 2 WLR 400.

EXAM TIP

In problem questions on registered designs, always be prepared to consider whether there is unregistered design protection (whether the UK unregistered design right or unregistered Community design). Although the UK unregistered design right is very different from Community design and from the UK registered design, it may be present in respect of many designs protected in other ways.

Subsistence

The following key statutory provisions indicate just how different the UK unregistered design right is from other forms of design protection. It should be studied and compared to the basic requirements for subsistence of Community design. It is clear that originality is first considered in a copyright sense before looking at whether the design is **commonplace**.

KEY STATUTE

Section 213(1), (2) and (4) Copyright, Designs and Patents Act 1988

- (1) Design right is a property right which subsists in accordance with this Part in an original design.
- (2) In this Part ‘design’ means the design of any aspect of the shape or configuration (whether internal or external) of the whole or part of an article
...
- (4) A design is not ‘original’ for the purposes of this Part if it is commonplace in the design field in question at the time of its creation.

KEY DEFINITION: Commonplace

The word ‘commonplace’ was new to English law when introduced by a Directive protecting semiconductor topographies. There are a number of judicial statements, none of which are entirely satisfactory. They include:

‘... any design which is trite, trivial, common-or-garden, hackneyed or of the type which would excite no peculiar attention in those in the relevant art is likely to be commonplace’

‘What really matters is what prior designs the experts are able to identify and how much those designs are shown to be current in the thinking of designers in the field at the time of creation of the design in question.’

It is important to note, however, that a design which has become very familiar does not necessarily become ‘commonplace’. For example, if a design is applied to an article made by one manufacturer which sells in large numbers, that does not necessarily mean it is commonplace.

Exceptions to subsistence of UK unregistered design right

KEY STATUTE

Section 213(3) Copyright, Designs and Patents Act 1988

- (3) Design right does not subsist in –
- (a) a method or principle of construction,
 - (b) features of shape or configuration of an article which –
 - (i) enable the article to be connected to, or placed in, around or against, another article so that either article may perform its function, or
 - (ii) are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part, or
 - (c) surface decoration.

The first exception, methods or principles of construction, is unlikely to be relevant in the vast majority of cases. The exceptions in section 213(3)(b)(i) and (ii) are often referred to as the ‘must-fit’ and ‘must-match’ exceptions. Surface decoration is also excepted, this being the proper subject matter of copyright. An example of surface decoration is a willow pattern applied to a dinner plate.

KEY CASE

Dyson Ltd v Qualtex (UK) Ltd [2006] RPC 31, CA

Concerning: various aspects of design right including the scope of the ‘must-fit’, ‘must-match’ and surface decoration exclusions

Facts

The defendant supplied duplicate spare parts (pattern parts) for the claimant’s vacuum cleaners. The claimant sued on the basis of unregistered design rights subsisting in the design of the parts of its vacuum cleaners.

Legal principle

The ‘must-fit’ exclusion does not mean that the articles have to physically touch. A clearance between them, if it allows one article to perform its function, may be within the exclusion. The exclusion may apply where the two articles are designed sequentially, one after the other.

For ‘must-match’ exclusion it is design dependency which is important. The more room there is for design freedom, the less likely the exception will apply. The reason for the surface decoration exclusion was because it was protected by

copyright. Surface decoration could be applied to a two-dimensional article or three-dimensional article or to a flat surface of a three-dimensional article. Surface decoration was not limited to something applied to an existing article and it could come into existence with the surface itself. Surface decoration could itself be three-dimensional, such as beading applied to furniture. However, a feature having a function, such as ribbing on the handle of a vacuum cleaner, was unlikely to be surface decoration. This had a function of helping provide grip.

A design must qualify for protection and may qualify by virtue of the design, the commissioner (if commissioned) or employer (if created by an employee). It may also qualify by virtue of the person who first markets articles to the design in the European Community if it does not otherwise qualify. These provisions are mirrored in those concerning first ownership of the design right.



Make your answer stand out

Demonstrate that you understand the similarities and differences between the four forms of design rights. Even if not specifically asked, where appropriate mention other rights that could subsist in a design. For example, in a question on Community design, mention that either or both forms of UK design rights might subsist and/or artistic copyright (briefly explaining why). Also consider the pros and cons between the various forms of protection (an obvious example being that registration affords monopoly protection).

Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.
- ☐ Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the essay question at the start of the chapter.

Approaching the question

- Consider the nature of the Community design and the reasons for having both an RCD and UCD – then focus on the UCD.
- Note that the UK unregistered design right is very different and identify the main differences, particularly in relation to subsistence and duration.
- Think about the implications, for example, noting that because of the overlap in some cases, that an unregistered UK design may have longer protection than permitted under the Community Design Regulation.
- Consider whether and how the UK system could be changed, for example, to mirror that under the Community Design Regulation.

Important points to include

- The question asks for a critical discussion so your answer should go beyond the mere descriptive.
- It would be useful to first set out the relevant provisions in the Community Design Regulation whilst seeking to reflect on the underlying policy for the scheme under the Regulation.
- Remembering that the question is concerned with the scheme of protection under the Community Design Regulation, this requires consideration of the rules for registrability (or subsistence in the case of the unregistered Community design), the scope of protection, the rights of the owner and limitation of those rights.
- Identify and discuss the equivalent aspects of the UK unregistered design right, noting that it is quite different from the Community design, and critically analyse and comment on to what extent and how they conflict with the scheme under the Community Design Regulation.
- An example of this is that an unregistered design may be protected for only three years under the Community design yet the same design *may* be protected in the UK by the unregistered design right for up to 15 years (bearing in mind of course that the overlap between the two forms of protection is by no means complete because of the different rules for subsistence and, for the UK unregistered design right, qualification requirements).

- Other examples include the fact that additional damages may be available for infringement of the UK unregistered design right and there are no limitations to the rights equivalent to those for Community design, for example, teaching, experimentation and repairing ships and aircraft.



Make your answer stand out

- Having addressed the conflicts between the Community design and the UK unregistered design right, construct and support an argument about whether the UK unregistered design right ought to be repealed, for example, on the basis that it is now unnecessary or confuses the issues of protection of designs.
- It might impress an examiner to note that the Community design is not without its problems, for example the protection of graphic symbols and typefaces which may also be protected by copyright law. Unless such designs are registered, giving monopoly protection, there is little point in the Community design for them. Furthermore, as the period of protection for the unregistered Community design commences when first made available to the public the UK approach of basing duration on the end of the calendar year of creation is arguably more certain.

READ TO IMPRESS

Carboni, A. (2008) 'Design validity and infringement: feel the difference', 3 EIPR 111.

Forsyth, E. (2008) 'Infringement of a registered Community design: a landmark decision by the English Court of Appeal', 22(1) World Intellectual Property Report 33.

Michaels, A. (2006) 'The end of the road for pattern spare parts? *Dyson Ltd v Qualtex (UK) Ltd*', 7 EIPR 396.

NOTES

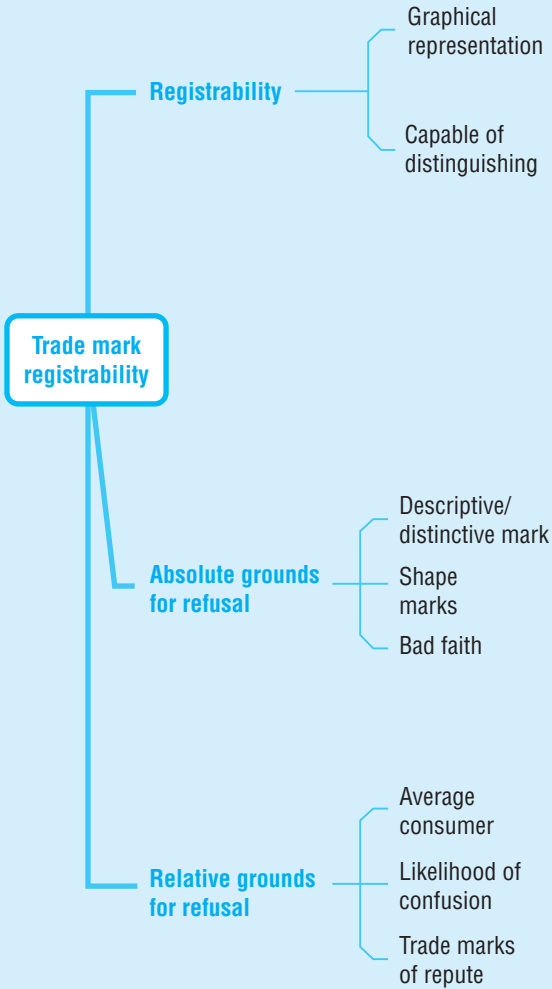
Trade mark registrability

Revision checklist

Essential points you should know:

- ☐ The meaning of a sign
- ☐ How a sign can be represented graphically
- ☐ The absolute grounds for refusal of registration
- ☐ The relative grounds for objection
- ☐ What is an identical or similar mark and what are identical or similar goods or services
- ☐ The definition of consumer
- ☐ How the consumer will perceive the marks and goods
- ☐ How the likelihood of confusion is assessed
- ☐ What will amount to a mark with a reputation
- ☐ What constitutes without due cause, unfair advantage and detriment

■ Topic map



■ Introduction

The purpose of a trade mark is to distinguish the goods or services of one undertaking from those of other undertakings.

Trade marks are a badge of origin and may have great economic value. They are the most harmonised of the IP rights in the European Union. The Trade Marks Act 1994 (TMA) implemented the European Community's First Council Directive to approximate the trade mark laws of member states. A trade mark is registered under a class of good or services initially for a period of ten years but it can then be renewed every ten years as long as it is being used in the appropriate class. You must use it or lose it. It is a property right which arises on registration and can be licensed or sold. It is enforceable by the owner or licensee of the right. However, not only can a trade mark be used to help a business in furtherance of its trade but it can also protect consumers from being deceived into buying the wrong or even counterfeit goods or services.

ASSESSMENT ADVICE

Essay questions You may be asked to discuss the policy reasons for refusing the registration of a trade mark. This will entail dealing with the absolute grounds of refusal with discussion on the distinctive rather than descriptive nature of a trade mark. This ground prevents proprietors from monopolising marks that should be free for all to use. You will also have to examine the relative grounds where registered marks are protected against the use by rival traders dealing in the same or similar goods or services, leading to confusion in the mind of the consumer. There is no confusion needed where extra protection is given to an existing sign which has a reputation. Such signs are vulnerable to free riding and detriment may occur if a subsequent similar mark is registered even for dissimilar goods. This gives extremely strong protection to the proprietor of the right. The reasons for this additional protection may need to be analysed.

Problem questions Whether a mark can be represented graphically sounds like a simple question but difficulties can arise when you are attempting to register colour, shape, smell and sound marks. Although there may not always be a full problem question on this area it may well come into the discussion of any issues surrounding registrability and there may be an essay question on the problems associated with registering such marks.

■ Sample question

Could you answer this question? Below is a typical problem question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample essay question and guidance on tackling it can be found on the companion website.

PROBLEM QUESTION

Toys Ltd has created a new night-time toy of unusual shape which could only be described as an alien hedgehog. The toy when warmed by the heat of a child's body gives off a chocolate smelling sleeping gas which causes the child to fall into an uninterrupted night's slumber. The hedgehog shape provides a considerable surface area so that a sufficiently large dose of the gas can escape even if the toy is being tightly cuddled. The toy is a luminous puce colour.

Advise Toys Ltd as to the likelihood of success in registering the colour, smell and shape of their toy.

■ Registrability of trade marks

KEY DEFINITION: Trade mark – fundamental attributes

A mark will only be registered as a trade mark if it is a sign, if it can be represented graphically and if it is capable of distinguishing one trader's goods or services from those of another.

We know from section 1 of the TMA that a sign can consist of words, designs, letters, numerals or the shape of goods or their packaging. So the shape of a bottle or a person's name can all be regarded as signs and on the face of it are registrable as **trade marks**. We are then told that even though they qualify as a sign they will only be registrable if they are *also* capable of graphical representation and *also* capable of distinguishing one trader's goods from those of another.

Graphical representation



Don't be tempted to...

Remember that there are problems with the graphical representation of colour, sound, taste and smell marks. A mark must be advertised in the *Trademark Journal* so that other traders know what marks are registered so they can avoid infringing them. If the representation of the marks is not certain, clear, precise and durable, traders cannot know if they are infringing another's mark. With regard to smell marks in particular it may be impossible to even ascertain what the trade mark is despite detailed descriptions and chemical formulae being provided. Such marks are unlikely to be accepted.

KEY CASE

***Shield Mark BV v Joost Kist* [2004] RPC 315, ECJ**

Concerning: whether a sound mark can be represented graphically

Facts

This was a failed application 'to register the first 9 notes of Beethoven's "Für Elise"' along with the musical stave depicting the notes plus the designation 'the crowing of a cock', also described using the Dutch word Kukelekuuuuuu.

Legal principle

Representation will only be accepted if clear, precise, self-contained, easily accessible, intelligible, durable and objective.

In *Shield Mark* the musical notes and stave were found to be insufficiently concise. If there had been more detail provided so that in addition to the notes the stave was divided into measures with a clef, rests and accidentals this would have been sufficiently precise to be registered. The legal principle that the graphical representation of a mark must be clear, precise, etc. is also applicable to determining whether colour, smell, taste and shape marks are adequately graphically represented.

Capable of distinguishing

Once you have established that a mark is capable of graphical representation the next requirement that must be met for section 1 is that it must be capable of distinguishing. More explanation of this is found under section 3 of the Trade Marks Act 1994 or Article 3 of the Directive.

Absolute grounds for refusal

KEY STATUTE

Section 3(1)(a–d) Trade Marks Act 1994, Art 3 (1)(a–d) Directive on the Legal Protection of Trade Marks

‘(1) The following shall not be registered –

- (a) signs which do not satisfy the requirements of section 1(1),
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.’

KEY DEFINITION: Descriptive mark

A descriptive mark describes the goods or services in question and so cannot distinguish the goods or services of one trader from those of another, for it is applicable to all such goods.

The mark must not be *devoid* of **distinctive** character, meaning it must not be *wholly descriptive* such as ‘Eurolamb’ for lamb coming from Europe. It must have some aspect that will make it distinctive. In addition the mark must not be used to describe the quality or characteristics of the goods, for example ‘best’ or ‘woolly’, or to have become common in the relevant trade to describe the goods or services for which it is registered. This is intended to protect other traders who may honestly wish to use such marks in their own trade.

KEY DEFINITION: Distinctive mark

A mark that is distinctive is capable of distinguishing the goods of one trader from those of another.

You must note the caveat that if, although apparently lacking in distinctive character, the mark has acquired distinction through use it may be registered. It must still satisfy the requirement of section 1, of being capable of distinguishing. If it were a very common word, such as 'treat', it would be unlikely to succeed but if the public has been educated by prolonged advertising, as in 'Have a break' used in relation to the chocolate bar KitKat, there may be a finding of distinction through use.

EXAM TIP

For the best marks in an essay you must demonstrate not just legal knowledge but an awareness of the reasons behind the legislation. Keep in mind that purely descriptive signs should not be monopolised by one undertaking but should be kept available for all traders to use. Descriptive marks will not be registered, despite the fact that defences may be available to honest traders who use such marks. Also remember that a sign may be made up of more than one aspect. As long as the descriptive part of the mark is not the most dominant part the additions may help it to acquire a distinctive character.

We are still left with the problem of whether a descriptive mark such as a geographical location can become distinctive through use.

KEY CASE***Windsurfing Chiemsee Productions v Huber* [2000] Ch 523, ECJ**

Concerning: whether a geographical name can become distinctive through use

Facts

This was an application by a sportswear company situated near Lake Chiemsee to register the name Chiemsee which it had used for some time for its sportswear.

Legal principle

Geographical names are on the face of it unregistrable. They are descriptive and for public policy reasons they need to be kept available for all to use. However, if the name has acquired distinction as a mark through use, it is acceptable to register it as long as it is not being or is unlikely to be used in the future by other traders for that type of good or service.

**Make your answer stand out**

There is tension between the decisions in *Windsurfing* and *Baby Dry* when using descriptive or laudatory terms. Ilanah Simon (2003) explores this area. Make

your answer stand out by explaining that these cases conclude either that marks should not be registered if not viewed as a badge of origin or alternatively that there is a need to keep some trade marks available for the use of other traders.

Shape marks

KEY STATUTE

Section 3(2) Trade Marks Act 1994, Art 3 (1)(e) Directive on the Legal Protection of Trade Marks

‘A sign shall not be registered as a trade mark if it consists exclusively of –

- (a) the shape which results from the nature of the goods themselves,
- (b) the shape of goods which is necessary to obtain a technical result, or
- (c) the shape which gives substantial value to the goods.’

After distinctiveness and the rights of other traders to use common terms have been taken into account, other policy grounds can lead to a mark being rejected.

A shape mark must not result *exclusively* from the nature of the goods. Consequently one may not register the shape of a tyre. The shape must not be *necessary* to obtain a technical result even if there are other ways of obtaining that result, as in *Remington* (below). The shape must not give *substantial value* to the goods. So if you buy a good due to the shape of the mark rather than for the good itself this will be excluded. It is felt that if registration of such shapes were granted it would create a monopoly in those shapes and as a result a monopoly in the goods themselves. There is no exception to allow registration if the mark has become distinctive through use.

KEY CASE

***Koninklijke Philips Electronics v Remington Consumer Products Ltd* [2003] RPC 14, ECJ**

Concerning: the registrability of a functional shape mark

Facts

Philips sued for infringement of its pictorial trade mark which was in the shape of a three-headed rotary shaver. In response the validity of the mark was called into question as being an excluded functional shape.

Legal principle

The purpose of the provision is to prevent people obtaining exclusive rights over technical developments. Consequently the mark will not be registered even if there is another way of obtaining the end result. The test is – was it that shape due to its function?

EXAM TIP

To get a good mark you should show that you understand the consequence of a different decision. If the court had accepted that registration would be allowed for a shape mark with a technical function as long as there was another way of obtaining the same result, the provision would in effect have been made pointless. An unlimited monopoly would have been created over that way of doing something.

Bad faith**KEY STATUTE****Section 3(3)(a) and (b) and section 3(6) Trade Marks Act 1994, Art 3(1)(f) and (2)(d) Directive on the Legal Protection of Trade Marks**

‘(3) A trade mark shall not be registered if it is –

- (a) contrary to public policy or to accepted principles of morality, or
- (b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service)

...

- (6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.’

A mark will not be registered if it is contrary to public policy or to accepted principles of morality. However, keep in mind that public policy and the moral principles of right-thinking members of the public may change with time. Cases on this topic must be read in light of the morals of society at the time the case was heard.

A mark will not be registered if it is deceptive: for example, indicating an item is made of wool when it is in fact made of polyester or that it had been made in a particular location when it had not. A registration will also be denied if of a protected emblem or made in **bad faith**. Bad faith can have various meanings. Lack of intention to use the

8 TRADE MARK REGISTRABILITY

mark will show bad faith, as will attempting to register a mark to which it is known another is entitled. This could be to cash in on another's reputation or to prevent another trader from registering it.

KEY DEFINITION: Bad faith

Bad faith is behaviour falling short of acceptable standards of commercial behaviour. It must be assessed case by case.

Once the hurdles of the absolute grounds for refusal have been overcome, it is then time to consider other undertakings that may have marks which could be affected by the granting of a new trade mark.

■ Relative grounds for refusal

KEY STATUTE

Section 5(1) Trade Marks Act 1994, Art 4(1)(a) Directive on the Legal Protection of Trade Marks

‘(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.’

Identical signs may not be registered for identical goods. No confusion is required by the consumer for refusal of registration on these grounds. A sign will be held to be identical to a trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, if viewed as a whole, it contains differences so insignificant that they may go unnoticed by an **average consumer**.

Average consumer

KEY DEFINITION: Average consumer

The average consumer is taken to be a consumer of the goods concerned who is reasonably well informed, reasonably observant and circumspect (careful).

KEY STATUTE

Section 5(2) Trade Marks Act 1994, Art 4(1)(b) Directive on the Legal Protection of Trade Marks

‘(2) A trade mark shall not be registered if because –

- (a) it is identical with an earlier trade mark and is to be registered for **goods or services similar** to those for which the earlier trade mark is protected, or
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.’

KEY DEFINITION: Similar goods or services

Goods or services are similar if they are in competition; if the consumer would buy one instead of the other.

A trade mark will not be registered if:

- the mark is either identical or similar to an earlier mark
- it is registered in relation to goods or services which are either similar or identical to the earlier mark
- and there is a likelihood of confusion on the part of the consumer.

REVISION NOTE

Go to Chapter 9 and make sure that you understand the connection between registrability and infringement.

How the likelihood of confusion is assessed

The likelihood of confusion must be appreciated globally. You must take into account the visual, aural and conceptual similarities of the marks. You must bear in mind their distinctive and dominant components. A lesser degree of similarity between the marks may be offset by a greater similarity between the goods (or services), and vice versa. There is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either because it is a very unusual mark, or because it has become highly distinctive through use.

8 TRADE MARK REGISTRABILITY

The average consumer normally perceives a mark as a whole and does not analyse its various details. It is the initial impact that counts. If the earlier mark is very distinctive either because it is very unusual or it has become very well known, consumers are likely to think of it on seeing a similar mark and become confused. However, you must also keep in mind the way the consumer perceives a mark. Are they likely to see it or hear it? Two marks when spoken may sound similar but if the consumer will only see the mark and not hear it spoken, it is the visual aspect you must consider and which must lead to confusion.

KEY CASE

***Lloyd Schuhfabrik Meyer & Co GmbH v Klisjen Handel BV* [2000] FSR 77, ECJ**

Concerning: confusion in relation to a trade mark

Facts

Lloyds was a mark for shoes which was distinctive through use, while Klijsen manufactured similar goods under the Loint's brand.

Legal principle

The more similar the goods and the more distinctive the earlier mark, the more likely there is to be confusion on the part of the consumer.



Don't be tempted to...

Be careful not to confuse who must be confused and what they must be confused about. Applying the tests of similarity, confusion, etc. to a given fact situation can be a challenge but it is wise to remain heedful that it is the consumer whose confusion must be established. Mere association is not sufficient unless this association leads to confusion. The consumer must believe that the goods came from the same or economically linked undertakings. It will help if you keep in mind that the basic function of a trade mark is an indicator of origin.

Trade marks of repute

KEY STATUTE

Section 5(3) Trade Marks Act 1994, Art 4(3) and (4)(a) Directive on the Legal Protection of Trade Marks

'(3) A trade mark which –

- (a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.'

In the past this provision related only to similar marks and non-similar goods. Due to the Trade Mark (Proof of Use, etc.) Regulations 2004 it also applies to similar marks and similar goods. There is no requirement for confusion in this provision but there must be some link made by the consumer between the two marks. The first thing that must be established in order to take advantage of this provision is that the earlier trademark has a reputation among a substantial part of the public in a significant part of the territory at issue.

KEY CASE

General Motors v Yplon [2000] RPC 572, ECJ

Concerning: who must know of and how aware must they be of a trade mark for it to be a mark with a reputation

Facts

General Motors was the proprietor of the mark 'Chevy' for motor vehicles which objected to Yplon registering the mark 'Chevy' for detergents and cleaning materials.

Legal principle

The mark must have acquired a reputation with a substantial part of the relevant public in a significant part of the territory, but who the public depends on the product. The market share, intensity of sale, geographical location and duration of use and the advertising of the mark must all be considered.

Once you have established that the mark has a reputation you must then prove that the mark is being used without due cause. There should be no overriding reason why the new mark must be used. It may also take unfair advantage of the mark with a reputation; that is, use showing a disregard for the standards of acceptable commercial behaviour leading to increased sales of the new mark. Alternatively, use of the new mark may cause blurring, the lessening of the capacity of the famous mark to identify and distinguish goods, dilution which is the gradual whittling away of the identity of the mark in the mind of the public by its use on other goods, or tarnishment, detracting from the appeal of the existing mark, probably by some unsavoury connotation.

■ Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.
- ☐ Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the problem question at the start of the chapter.

Approaching the question

Make sure you state the issues and identify the rules, cases and statutes. You then apply the relevant law to the facts using arguments on both sides and then finally advise.

Important points to include

- Explain that in order to register a trade mark it must comply with the requirements of s 1/art 2 and s 3/art 3 and the sign must be capable of graphic representation and of distinguishing the goods of one undertaking from those of another undertaking.
- Advise as to whether the colour puce, applied to the type of good for which the mark is to be used, would be regarded as a badge of origin.
- The registration of smell and colour marks must be discussed with reference to the requirements laid out in *Shield Mark*. The mark must be clear, precise, self-contained, easily accessible, intelligible, durable and objective. Here reference to an internationally recognised colour code such as Pantone would be expected. Ask, would a third party, when seeing the descriptions used, understand precisely what the mark was?

- Assess how likely it is that consumers will see the hedgehog shape as a badge of origin, the fundamental purpose of a trade mark, or whether they will merely regard it as the good itself.
- Shape marks which result from the nature of the goods and are necessary to obtain a technical result or give substantial value to the goods themselves are excluded from registration. These must be discussed with reference to *Philips v Remington* and the functional aspect of the shape of the toy.



Make your answer stand out

Point out that you are not tempted to fall into a trap. Show that you recognise that although a mark will not be registered if it is contrary to public policy, it must be the mark that causes the outrage, not the product. Here the purpose of the toy, anaesthetising children to sleep, may be distasteful but the effect of the gas is not the subject of registration.

READ TO IMPRESS

Bainbridge, D.I. (2004) 'Smell, sound, colour and shape trade marks: an unhappy flirtation?', JBL 219.

Howell, C. (2007) 'Intel: a mark of distinction', 11 EIPR 441.

Simon, I. (2003) 'What's cooking at the CFI? More guidance on descriptive and non-descriptive trademarks', EIPR 25(7) 322.

Trimmer, B. (2009) 'The power of attraction: do trade marks have an "image" problem in the English courts?', EIPR 195 (looks at cases on dilution and detriment and the functions of a trade mark).

Walmsley, M. (2007) 'Too transparent? ECJ rules Dyson cannot register transparent collection chamber as a trade mark', 7 EIPR 298.

NOTES

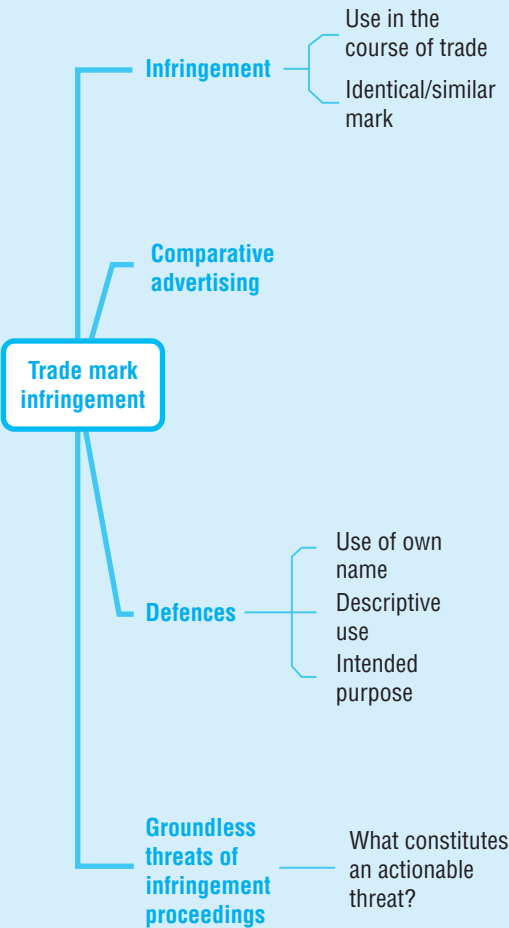
Trade mark infringement

Revision checklist

Essential points you should know:

- ☐ The meaning of an identical sign
- ☐ Whether use of a trade mark must be in the course of trade
- ☐ In what circumstances a trade mark can be used to compare one trader's goods or services with those of another
- ☐ The limits of the own name defence
- ☐ What will amount to descriptive use
- ☐ When a registered trade mark may be used to indicate the intended purpose of another's goods or services

■ **Topic map**



■ Introduction

A trade mark gives the proprietor the exclusive right to use that mark in respect to the goods or services for which it has been registered.

Infringement can extend to the spoken use of words as well as to graphic representation. The relative grounds of refusal of registration and the acts that amount to infringement are very similar but infringement is concerned with the use of a sign, whereas the relative grounds for refusal are concerned with conflict with an earlier trade mark. Apart from case law on use of a sign in the course of trade or use of a sign in a trade mark sense, case law on the relative grounds for refusal is exchangeable and applicable to actions on infringement. An application to register a trade mark can be opposed on the basis of an earlier UK or Community Trade Mark (please refer to Chapter 8 for a discussion on these sections) but infringement under the Trade Marks Act 1994 can only relate to trade marks having effect in the UK.

ASSESSMENT ADVICE

Essay questions An essay question may well ask about the issues of use and the difference between use of a trade mark to describe a good or service and use in the trade mark sense.

Problem questions Remember that a problem question on this topic could include problems of jurisdiction as well as infringement itself. You must also be careful to consider whether any defences might affect your answer.

■ Sample question

Could you answer this question? Below is a typical essay question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample problem question and guidance on tackling it can be found on the companion website.

ESSAY QUESTION

The 10th recital of the preamble to the Directive [89/104/EEC] states that the function of a trade mark is in particular to guarantee the trade mark as an indication of origin, and that protection is absolute in the case of identity between the mark and the sign and between the goods or services concerned and those for which the mark is registered.

Critically discuss this statement in the light of Arsenal Football Club v Reed [2003] RPC 144.

Infringement

Use in the course of the trade

KEY STATUTE

Section 10(1) Trade Marks Act 1994, Art 5(1)(a) Directive on the Legal Protection of Trade Marks

‘A person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.’

When talking about infringement under the Trade Marks Act 1994 (TMA), remember that there must actually be use of the mark and the use complained of must be both use in the UK and use in the course of trade. Although not flagged up in either the TMA or the Directive there is an issue as to whether the use in question has to be ‘trade mark use’. Does trade mark use mean any use in commerce, such as a photograph of a footballer in his football shirt with his team logo?

KEY CASE

Arsenal Football Club plc v Matthew Reed [2003] RPC 144, ECJ

Concerning: whether the use of a sign as a badge of support or loyalty created a sufficient impression of a connection as to amount to infringement of a trade mark as ‘trade mark use’ indicating origin

Facts

Arsenal Football Club had registered the names 'Arsenal' and 'Gunners' along with the club emblems for goods such as scarves and sports clothing. Mr Reed, under a disclaimer pointing out that they were unlicensed, sold similar goods with the club's names and emblems attached. The club claimed trade mark infringement but Mr Reed retorted that he was not using the club's mark in a 'trade mark sense'.

Legal principle

The issue is not whether there has been trade mark use. What is at issue is whether the use of the mark created the impression to the consumer that there was a material link with the proprietor (any disclaimer may not have been seen post sale). Unchecked use of the mark by a third party which is not descriptive use is likely to damage the main function of the mark because it could no longer guarantee origin. The fact here that the mark was a badge of allegiance was irrelevant.

It would seem that the use needs to be in a form that indicates the origin of the goods or services or use which affects the interests of the proprietor of the mark in some other form.

EXAM TIP

You should deal with any question involving this issue by asking whether there is commercial use which undermines the proprietor's interest. To show that you have a good understanding of the whole topic you should point out that even if regarded as initially infringing, if the facts allow there may be a defence if the mark is being used descriptively: s11(2)(b), Art 6(1).

There is still academic debate in this area, however.



Make your answer stand out

Nigel Parker (2006) considers the cases of *Arsenal v Reed*, where the ECJ decided that 'trade mark use' was not an essential requirement for infringement to be found, and *R v Johnstone* [2003] WLR 1736 where 'trade mark use' was held to be essential to a finding of infringement. Parker explains that Lord Nicholls in *Johnstone* concluded that the retailer of bootleg recordings of the Bon Jovi pop group, a registered trade mark, had not intended to use the name

9 TRADE MARK INFRINGEMENT

as a trade mark but only as a description of the goods. Consequently the bootleg recordings did not infringe. Make your answer stand out by explaining that Nigel Parker argues that this conclusion ‘flatly contradicts the decision in *Arsenal v Reed*’ where it was held that neither confusion nor ‘trade mark use’ are required in a case where a third party’s use threatens a trade mark’s essential distinctive functions, and that such diametrically opposed interpretations by the House of Lords are highly undesirable.

Identical/similar mark

In order to infringe another’s mark for section 10(1) the defendant must be using an **identical mark**. Does this mean the mark must be exactly the same?



Don’t be tempted to...

The difference between what is an identical mark and what is a similar mark can be tricky. Although similar marks are not identical marks the ECJ has used the concept of imperfect recollection in determining whether an almost identical sign is identical to the registered trade mark. This creates a blurring between what is an identical sign, where no confusion need be proved, and what amounts to a similar sign where confusion must be established. Keep this distinction in mind.

If a sign is identical to a registered mark and the goods or services for which it is being used are identical, no confusion on the part of the consumer need be proved. Infringement will have occurred. If there is mere similarity in the marks and in the goods or services, evidence of actual confusion on the part of the consumer is needed in order to prove infringement. It is therefore important to know whether marks are identical or similar so that you know whether or not you need to prove that confusion has occurred.

KEY DEFINITION: Identical marks

The average, reasonably well informed, observant and circumspect customer assessing the mark globally may not notice the addition of a hyphen or an apostrophe, especially when they are apart, but would notice the inclusion of an extra word, if the word would not go unnoticed by the average consumer.

KEY CASE

LTJ Diffusion SA v Sadas Vertbaudet SA [2003] FSR 608, ECJ*Concerning: meaning of identical mark***Facts**

The claimant was a clothing company with the trade mark 'Arthur' in a distinctive handwritten form. The defendant sold children's clothing by mail order and applied for a Community Trade Mark 'Arthur et Félicie'. The claimant objected to the defendant's use of the mark and had opposed the CTM application.

Legal principle

'... a sign is identical to a trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.'

There may be a successful infringement action where there is incomplete identity of the mark and the goods or services but where there is a likelihood of confusion on the part of the consumer. If a mark has a reputation and there is an identical or similar sign and goods or services which are either similar or dissimilar there may be a finding of infringement without any confusion. There must, however, be some link made in the mind of the consumer and there must also be a finding of unfair advantage or damage to the repute of the mark. In addition, the defendant must have no justification of due cause for use of the mark with a reputation.

REVISION NOTE

Apart from the fact that the mark must be used in the UK the requirements of section 10 Art 5 and section 5 Art 4 are almost identical. Section 10 should therefore be read in conjunction with the discussion on section 5 which is found in Chapter 8.

■ Comparative advertising

Although not found in some other states of the European Union, honest and fair **comparative advertising** is permitted in the UK both under the TMA and in the light of the Comparative Advertising Directive 97/55.

9 TRADE MARK INFRINGEMENT

KEY DEFINITION: Comparative advertising

Comparative advertising is the use of a competitor's trade mark to highlight the comparative advantage of one's own rival goods or services.

KEY STATUTE

Directive 84/450 concerning misleading advertising as amended by Directive 97/55

Comparative advertising shall be permitted when it does not create confusion between the advertiser and a competitor, discredit or denigrate the trade mark/names, take unfair advantage of the reputation of a trade mark or present goods or services as imitations or replicas of those bearing a protected mark.

From this we can see that a trader may use what is undisputedly the trade mark of a rival on identical goods or services. This use of a rival's mark is only allowed as long as the use made of the mark does not fall within the misleading advertising Directive.

! Don't be tempted to...

Be careful not to overlook the non-essential functions of a trade mark. Even where the use made of the mark does not jeopardise the essential function of a trade mark, to guarantee the origins of the goods or services, comparative advertising may still be prohibited if other functions of the trade mark such as communication, investment and advertising are affected.

KEY CASE

***L'Oreal v Bellure* [2010] RPC 1**

Concerning: whether a competitor's use of a proprietor's trade mark when comparing goods constituted infringement

Facts

Bellure sold cheap imitations of L'Oreal's luxury perfumes and published lists comparing them. The bottles and packaging were similar but there was no likelihood of confusion as the Bellure perfumes were sold under different names.

Legal principle

Art 5(1)(a) entitles a trade mark proprietor to prevent the use of his trade mark by a third party where the comparative advertisement does not satisfy the requirements of Art 3a(1) of Directive 84/450/EEC.

There is an assumption that comparative advertising should be allowed. However, here, by imitating the perfumes of L'Oreal, Bellure was riding on the coat-tails of the famous mark. It was taking unfair advantage of the reputation of the well-known mark by presenting their goods as imitations or replicas contrary to Art 3a of the Directive.

■ Defences

Practical considerations are important when considering defending any alleged trade mark infringement. A defendant must make sure that it is worth defending his actions. Establishing a defence could cost a great deal of money and may be unsuccessful. It may be more sensible to give an undertaking not to continue to use the sign.

KEY STATUTE

Section 11(2)(a) Trade Marks Act 1994, Art 6(1) Directive on the Legal Protection of Trade Marks

'A registered trade mark is not infringed by –

- (a) the use by a person of his own name and address,
- (b) the use of indications concerning the kind, quality, intended purpose, value, geographical origin, the time of production of goods or rendering of services, or other characteristics of goods or services, or
- (c) the use of the trade mark where it is necessary to indicate the intended purpose of a product or service (in particular, as accessories or spare parts) provided the use is in accordance with honest practices in industrial or commercial matters.'

Use of own name

The provision states that as long as the use does not amount to passing off, the defence will apply to the use of a natural person's own name. It has also been accepted for full company names. It would seem, therefore, that there would be nothing to stop a person changing their name to that of a successful competitor and then pleading this defence. You must, however, ask yourself, would this be regarded as an honest practice?

KEY CASE

Asprey and Garrard Ltd v WRA (Guns) Ltd [2002] FSR 487, CA

Concerning: the use of a newly adopted company or trading name

Facts

A family business was sold along with the trade mark Aspreys but a member of the Asprey family and ex-employee of the company then began to use his name as a trade name for similar luxury goods.

Legal principle

The 'own name' defence does not apply to the names of new companies or new trade names, as otherwise the route to piracy would be obvious.

Descriptive use

Some parts of this defence may on the face of it seem irrelevant. Section 3 Art 3 Directive should have prevented marks such as those which indicate the kind or quality of goods from being registered. If the mark, however, was not exclusively descriptive or it had acquired distinction through use, registration might have been allowed. This defence may then be needed to protect an honest trader who wishes to use such a word in his own business. There is a debate about whether some types of use are descriptive use, needed in order to let the consumer know the various characteristics of the goods, or infringing use.

REVISION NOTE

Please refer back to Chapter 8 for further discussion of the descriptive and distinctive issue.

KEY CASE

Bravado Merchandising Services Ltd v Mainstream Publishing (Edinburgh) Ltd [1996] FSR 205, CSOH

Concerning: the use of a trade mark as a description of the goods

Facts

The name of the pop group Wet Wet Wet had been registered as a trade mark. A book was written about the group and the name of the group was used in the title.

Legal principle

The defence is available when all the characterisations of infringement are present, not so that a mark can be used in a trade mark sense but for pure descriptive use which conveys features or characteristics of the product concerned.

EXAM TIP

Please note that the question whether the use is descriptive or as a trade mark will only need to be addressed if infringement has first been established. If you are dealing with a problem question and you have found infringement, it is worth looking to see if there is anything in the facts you have been given to raise such a defence. The problem of whether the use is descriptive or as a trade mark may then need to be discussed. Remember that although detriment does not have to be proved, use must be in accordance with honest practices in industrial or commercial matters. Keep in mind that what is regarded as honest commercial practice may change over time.

Intended purpose

This defence to an infringement action facilitates free competition. A garage which repairs BMW cars needs to use the BMW logo to advertise the fact that it offers that service. This defence allows such necessary and honest use of the trade mark.

KEY CASE***Gillette Company v LA-Laboratories Ltd Oy* [2005] FSR 808, ECJ**

Concerning: whether the use of the trade mark to indicate the intended purpose was 'necessary' and honest

Facts

Gillette Company had a registration for the trade marks 'Gillette' and 'Sensor' for razors. LA-Laboratories made razors and blades sold under the trade mark Parason Flexor, and sold blades with a sticker applied to their packaging which stated, 'All Parason, Flexor and Gillette Sensor handles are compatible with this blade'.

Legal principle

Use of the trade mark was *necessary* if it was the only way in practice to allow the public to understand the intended purpose for that product. However, the use must not give the impression that there is a commercial connection or reduce the trade mark's value by affecting its distinctive character or by denigrating the mark. Nor must the use indicate that it is a replica of the product bearing the trade mark.

■ Groundless threats of infringement proceedings

Having infringement proceedings brought against a business can be very disruptive. It can involve an injunction, search and seizure orders and other such remedies. This gives a great deal of power to the claimant. This power can be abused, and to prevent this happening the ‘**groundless threats**’ procedure was incorporated into the Trade Marks Act 1994.

KEY DEFINITION: Groundless threat

No matter how ambiguous or indecisive, a communication will be regarded as a threat if understood by the ordinary recipient of the communication to be a threat to bring infringement proceedings.

Any person affected by a threat made without due cause can apply to the court and seek a declaration that the threat is unjustified, and an injunction to prevent further threats and damages. This is particularly useful to small retailers.

KEY STATUTE

Section 21 Trade Marks Act 1994

Any person aggrieved may bring proceedings for relief where there has been an unjustified threat to bring proceedings for infringement of a registered trade mark. The relief sought can be an injunction, damages or a declaration that the threats are unjustifiable. The mere notification that a trade mark is registered does not constitute a threat of proceedings. This section does not, however, apply to the importation of goods, where the mark has been applied to goods or their packaging, or to the supply of services under the mark.

What constitutes an actionable threat?



Don't be tempted to...

Do not forget about unjustified threats. It may be tempting to advise a proprietor whose mark has been infringed to immediately start proceedings against the infringer. This may not, however, always be the best advice. Keep in mind that if unjustified threats of legal proceedings are made this can lead to unpleasant

consequences. A threat can be in a letter or it can be spoken. It may be express or implicit. Such threats are usually but not necessarily made by letter. Mere notification of the existence of the trade mark will not constitute a threat. If, however, a communication in whatever form is meant to unnerve the recipient or make them seriously think that what they are doing, if continued, may result in proceedings being brought, that will constitute a threat.

KEY CASE

L'Oreal (UK) Ltd v Johnson & Johnson [2000] FSR 686, ChD

Concerning: what amounts to a threat to bring proceedings

Facts

The claimants' solicitors wrote to the defendant asking whether infringement proceedings of the defendant's marks 'would be brought by reason of their use of similar words for similar products'. The letter in reply contained an enigmatic message but mentioned the possibility in the future of proceedings for infringement.

Legal principle

The test as to whether a communication amounted to a threat was whether it would be understood by the ordinary recipient in the position of the claimant as constituting a threat of proceedings for infringement.

Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.
- ☐ Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the essay question at the start of the chapter.

Approaching the question

You have been asked to critically discuss this statement. You must explain the relevant ideas and examine both sides of the argument. Come to a judgement about their strengths and weaknesses through reasoned argument supported by authority.

Important points to include

- You have been asked to address a particular aspect of infringement so do not construct your answer in a way that is a summary of the whole topic.
- This question is concerned with s 10(1) and the use of an identical sign in relation to identical goods. There is no requirement of confusion so this does not need to be discussed. The focus should be upon the mark being used in the course of trade.
- There has been much debate about whether use in the course of trade must be use as a 'trade mark'. Briefly outline the issues.
- A comparison of the approaches taken by Laddie and the ECJ in *Arsenal* would be wise. Laddie J concentrated upon the perception of the consumer as to 'trade mark use' while the ECJ stated that whether there had been 'trade mark use' was not the appropriate question. The essential issue was whether the use made of the mark had affected the proprietor's interests, having regard to the trade mark's functions.
- The ECJ did not consider either the opinions of the consumer nor the infringer when deciding whether the proprietor's interests had been affected.
- Most descriptive use would not affect the proprietor's interest (*Bravado Merchandising*) but it would of course depend on the facts of each case.



Make your answer stand out

This issue raises wider policy considerations such as a fear that intellectual property can create an unfair monopoly. Demonstrating an awareness of this will gain you a better mark, as will referring to the consequences of the different approaches to 'trade mark use' (see 'Read to impress') alluding to the uncertainty in this area created by the House of Lords in *Johnstone*.

READ TO IMPRESS

Isaac, B. and Joshi, R. (2005) 'What does identical mean?', 5 EIPR 184.

Morcom, C. (2009) '*L'Oreal v Bellure* – who has won?', EIPR 627.

Parker, N. (2006) 'A raw deal for performers: Part 2 – Anti-piracy', 7 Ent LR 204.

Simon, I. (2007) 'Nominative use and honest practices in industrial and commercial matters – a very European history', IPQ 117.

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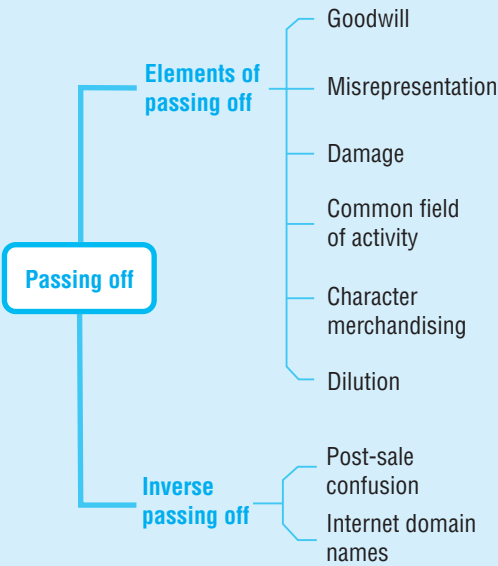
Passing off

Revision checklist

Essential points you should know:

- ☐ The meaning and ownership of goodwill
- ☐ What amounts to misrepresentation
- ☐ The difference between distinctive and descriptive
- ☐ What constitutes damage and whether it is confined to buying the wrong goods
- ☐ Whether the parties need to be engaged in trade
- ☐ The meaning of a common field of activity and whether it is essential in all cases
- ☐ What amounts to inverse passing off and whether post-sale confusion leads to passing off
- ☐ Passing off and internet domain names

■ Topic map



■ Introduction

Nobody has any right to present his goods as the goods of somebody else.

Passing off is a tort developed out of deceit. It can be described as the common law form of trade mark law but it is wider than trade mark law. Passing off can be used to prevent damage to not only distinctive names, numbers and devices but colours, the style of advertising campaigns, shapes and packaging. Passing off protects the property right in the goodwill of a business, not a mark itself. The goodwill is usually in the UK. Actual or likely damage, such as the diversion of business or damage to reputation, exposure to litigation or erosion of the mark, is a requirement for the commission of the tort. There must have been a false representation, intentional or unintentional, coming from the defendant, either verbally or by use of a name, get-up or logo which causes confusion in the mind of the customer or potential customer. The claimant's actual identity does not need to be known to consumers. It is generally accepted that regardless of the fact that customers may be misled, honest use of one's own name is permitted, but such use must not be made in a way that would exaggerate the connection.

ASSESSMENT ADVICE

Essay questions Passing off lends itself to essay questions. It is a tort that was created to encourage fairness and honesty among traders and it requires that the public be deceived [confused]. However, as the attributes of the public have changed over time, so too might the outcome of particular cases and this change can be analysed with reference to any policy issues or development in other areas of law such as trade marks.

Problem questions It is important to identify all the issues raised in a problem question. But keep in mind that the basic requirements needed for a passing off action to succeed must all be present. Once you have identified the issues then apply the relevant authority to them and decide if you have indeed got what amounts to the tort of passing off, or if not, why not.

■ Sample question

Could you answer this question? Below is a typical problem question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample essay question and guidance on tackling it can be found on the companion website

PROBLEM QUESTION

Two months ago Mr Raz took part in a popular TV programme where entrepreneurs attempt to gain investment from rich businessmen. Mr Raz won a substantial investment for his 'Koconut Sauce', a high-quality tangy sauce to be used with savoury dishes marketed in a coconut-shaped plastic bottle. Mr Raz had created a song called 'I am a Koca-koca Nut' which he sang on the TV programme and which has since been used in an extensive advertising campaign to promote the sauce. An extended version of the advertisement has been released as a music video and has been a great success. The video features Mr Raz playing his guitar sitting under a coconut tree while surrounded by bottles of the sauce. The sauce is marketed in most supermarket chains.

Betty runs an organic burger bar called Betty's Burgers. The bar has a reputation for home-made produce. Betty has put up a large sign in her shop saying 'Put coconut sauce on your Betty Burger'. Betty has the video of Mr Raz as background music playing almost non-stop in her burger bar. She has registered the domain name coconutsauce.co.uk and has started taking orders online to supply organic food shops with her coconut sauce.

Advise Mr Raz as to whether he could bring a successful passing off action against Betty.

■ The elements of passing off

The 'classical trinity' requirements for a finding of **passing off** are:

- the existence of the claimant's **goodwill**
- a misrepresentation as to the goods or services offered by the defendant, and
- damage (or likely damage) to the claimant's goodwill as a result of the defendant's misrepresentation.

KEY DEFINITION: Passing off

Passing off is an attempt by trader B to take advantage of the goodwill established by trader A, to the detriment of trader A.

Goodwill

KEY DEFINITION: Goodwill

Goodwill is the attractive force attached to the name, get-up or logo which brings in custom.

Passing off does not protect the mark itself but the goodwill associated with the mark. In order to attract goodwill the mark, get-up or logo must be distinctive of the claimant's goods or services. Otherwise it would be impossible to show that goodwill was associated specifically with the claimant's mark rather than that of any other trader. On the face of it a descriptive word, get-up or logo is not distinctive and therefore is incapable of attracting goodwill. It may, however, become distinctive if used in an unusual or unexpected context or if it has become distinctive through exclusive use by the claimant.

KEY CASE

***Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 ALL ER 873 (*Jif Lemon* case) HL**

Concerning: use of a deceptively similar but descriptive 'get-up'

Facts

The claimant sold Jif lemon juice in a plastic lemon-coloured and lemon-shaped receptacle. The defendant sold lemon juice in a similar but not identical container.

Legal principle

Although each case in passing off depends on its own particular facts, the existence of the claimant's extensive and exclusive goodwill built up over many years, a misrepresentation as to the goods or services offered by the defendant, and damage (or likely damage) to the claimant's goodwill as a result of the defendant's misrepresentation amounted to passing off.

Although the *Jif Lemon* case is authority for the 'classical trinity' of goodwill, misrepresentation and damage the *Advocaat* case is a second source of the basic requirements for success in a passing off action. This case demands a

10 PASSING OFF

misrepresentation made by a trader in the course of trade to prospective or ultimate customers of goods or services supplied by him which is calculated to injure the business or goodwill of another trader and which causes actual damage. This case also raised an issue as to whether consumers had to be deceived into buying the wrong goods or services or whether dilution or erosion amounted to passing off.

KEY CASE

Erven Warnink Besloten Vennootschap v J Townend & Sons Ltd [1979] AC 731 (Advocaat case) HL

Concerning: whether passing off could result even if consumers did not mistakenly buy the wrong goods

Facts

Substantial loss of sales was suffered by a well-known and popular liqueur called Advocaat due to a similar but cheaper and inferior-quality drink called 'Keeling's Old English Advocaat' being placed on the market.

Legal principle

Not only damage due to lost sales but damage to reputation by being associated with an inferior product amounted to passing off and traders either individually or as a class could be protected from deceptive use of their name by competitors.

Reputation is not the same as goodwill. A trader can have a reputation but carry out no business in this country. Traditionally there must be some business or market in the UK for goodwill to exist. The time taken to develop goodwill and the extent of the area affected are fact dependant, as is the ownership of the goodwill itself. Goodwill, the ability to pull in customers, is of value because of its power to promote future businesses. The acquisition and durability of goodwill is an area of law that develops as business practices change. With greater advertising and globalisation goodwill can spread faster and wider in the future, but for passing off there must still be goodwill rather than a mere reputation.

KEY CASE

Scandecor Development AB v Scandecor Marketing AB [1998] FSR 500, HL

Concerning: whether a parent or subsidiary company owns the goodwill in a name

Facts

A Swedish poster-producing company was split and set up a UK subsidiary trading under the name Scandecor which was the sole retailer in the UK. The UK company continued to obtain its posters from the Swedish company.

Legal principle

The goodwill belongs to the company that either traded or exercised business control over activities in the UK.

Misrepresentation

KEY DEFINITION: Misrepresentation

A misrepresentation is a false description made consciously or unconsciously by the defendant. Such representation can be implied by the use of a mark, trade name or get-up with which the goods of the claimant are associated in the minds of a substantial number of ordinary, sensible members of the public who have been or are likely to be misled due to the representation.

Deception due to **misrepresentation** is an essential element for a finding of passing off. Merely demonstrating that as a result of the similarities between two marks people may be confused does not mean there is passing off.

KEY CASE***Arsenal Football Club plc v Reed* [2001] RPC 922, ChD**

Concerning: use of identical marks on identical goods

Facts

The defendant had, for over 30 years, sold memorabilia bearing the football club's name and logo. However, due to a disclaimer the defendant's customers realised that the goods neither came from nor were sanctioned by the club. They bought his products as badges of allegiance to the football club.

The disclaimer Mr Reed displayed here was sufficient to prevent the misrepresentation necessary for passing off; it was, however, insufficient to prevent consumers making a material link when the case was referred to the ECJ on the trade mark infringement issue.

Legal principle

For passing off to have occurred customers or ultimate consumers must have been deceived with a real likelihood of confusion.

EXAM TIP

Although many of the concepts used in the trade marks statutes are similar to those found in passing off, the two are distinct. You must make sure that you do not combine them together in your discussions. You may find that an examination question may contain issues that relate to both passing off and trade marks but you must keep these issues separate and deal with them independently.

Damage

Diversion of business, damage to reputation, exposure to litigation or erosion of the mark can all amount to damage.

KEY CASE

***Taittinger SA v Allbev Ltd* [1993] FSR 641, CA**

Concerning: whether 'extended' passing off can be found due to erosion of goodwill even when there is no confusion in the mind of the consumer

Facts

The defendant, an English company, made a cheap non-alcoholic drink called Elderflower Champagne and although no confusion was alleged the growers of the sparkling wine objected to the use of the word Champagne.

Legal principle

Erosion of the distinctiveness of the name with a reputation is an actionable form of damage to the goodwill of the business of the claimant.

Common field of activity

A common field of activity is no longer an essential requirement of passing off. However, lack of some similarity in the field creates a presumption that confusion and therefore passing off has not occurred. The public are unlikely to make a connection and be misled in the absence of a common field of activity unless the goods or services are in effect household names.

Character merchandising



Don't be tempted to...

Do not be quick to assume that passing off has occurred in character merchandising situations. Character merchandising is the licensing of mainly fictional characters. If goodwill has been established in the character and the name is used by another trader, passing off could arise. However, a lack of a common field of activity can present a problem with such character merchandising. Use of the name Wombles for rubbish skips was held not to be passing off because it did not compete with the owner of the name who traded in licensing children's TV characters.

There have been developments in this area. They are, however, confined to circumstances where the public can be shown to be conscious of merchandising in the particular field. This awareness will make them more likely to mistakenly assume that there has been a licence or sponsoring agreement entered into for the use of a personality's name or image. For other character merchandising, where no such assumption is likely to be made, it is still unlikely that a passing off action will succeed.

KEY CASE

***Irvine v Talksport Ltd* [2003] FSR 619, ChD**

Concerning: whether falsely implying that a celebrity has endorsed a product is actionable under passing off

Facts

The defendant ran the radio station 'Talk Radio'. They used a doctored photograph of Eddie Irvine, the Formula One Grand Prix racing driver, in a promotional campaign having substituted a portable radio clearly displaying the words 'Talk Radio' for a mobile phone.

Legal principle

Celebrities may have a proprietary right in the goodwill of their names or image and that right can be protected by bringing an action in passing off. Despite there being no common field of activity the public may nevertheless falsely assume that the product had been endorsed.

**Make your answer stand out**

Make your answer stand out by explaining that until *Irvine v Talksport* the requirement of a common field of activity has traditionally been a barrier to celebrities using passing off to prevent their name or image being used by others. Gary Scanlan (2003) criticises the extension of passing off as in effect having no authority, claiming that what the courts appear to be doing is creating a 'personality right' and that monopolies of this type should not be created for policy reasons.

Inverse passing off

KEY DEFINITION: Inverse passing off

Inverse passing off occurs where the defendant falsely claims that the claimant's goods or services are actually made or provided by the defendant.

Inverse passing off is the opposite of traditional passing off where trader B tries to take the customers of trader A by pretending that his goods are the goods of trader A. With inverse passing off trader B pretends that trader A's goods are in fact trader B's. There can be no lost sales due to buyers confusing the defendant's products (or services) with those of the claimant, but there can be damage to trader A if the defendant's product is inferior to the claimant's product and buyers mistakenly think that the defendant's product is that of the claimant.

KEY CASE

***Bristol Conservatories Ltd v Conservatories Custom Built Ltd* [1989] RPC 455, CA**

Concerning: inverse passing off

Facts

The defendant's sales representatives showed potential customers photographs of conservatories as a sample of the defendant's workmanship. The photographs were, in fact, of the claimant's conservatories.

Legal principle

This misdescription harmed the claimant's goodwill and constituted passing off.

Post-sale confusion

KEY DEFINITION: Post-sale confusion

Post-sale confusion is where the misrepresentation comes after the goods have been purchased.

Even if there is no deception at the time of sale, later confusion as to the origin of the name, mark or device can still damage the goodwill by a process of dilution or erosion. Although UK cases have not regarded **post-sale confusion** as amounting to passing off there has been an extension of passing off in other jurisdictions (see *Levi Strauss & Co v Kimbyr Investments Ltd* [1994] FSR 335).

KEY CASE

***Bostick Ltd v Sellotape GB Ltd* [1994] RPC 556, ChD**

Concerning: whether a get-up which could only be seen post sale could lead to passing off due to erosion of goodwill

Facts

The claimant sold blue adhesive putty called 'Blu-tack' and the defendant sold a similar blue product called 'Sellotak' but the blue could only be seen after purchase and removal from its packaging.

Legal principle

As the defendant's product could not be seen at the point of sale, there was no danger of confusion.

Passing off and internet domain names

Although not the typical application of passing off it has been successfully pleaded concerning the wrongful use of domain names. If a third party without due cause registers company A's trading name as a domain name, this will prevent company A from registering the name itself and will constitute damage to company A. Such 'Cybersquatting' cases have usually included an offer to sell the domain name to company A for an inflated price.

KEY CASE

***Marks & Spencer plc v One in a Million Ltd* [1998] FSR 265, CA**

Concerning: whether registering as a domain name the name of another's company with associated goodwill constituted passing off

Facts

The defendants had registered a number of names including 'bt.org' but had not made any use of the domain names in the course of trade.

Legal principle

It was sufficient for passing off for a person to put an 'instrument of deception' into the hands of another or to authorise another to do so.

For such an action to succeed there must still be proof of damage or a likelihood of damage and this will be difficult to show if the claimant has chosen a descriptive or generic name for his business such as Radio Taxis for a taxi cab business.

REVISION NOTE

It is important to remember that passing off can be used in conjunction with trade mark infringement or where for some reason a trade mark application has not been made or a trade mark has been lost. Please refer to Chapters 8 and 9 on these aspects of trade marks.

■ Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.
- ☐ Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the problem question at the start of the chapter.

Approaching the question

To begin with you must:

- identify the relevant issues to establish whether Mr Raz has goodwill in his name, mark or get-up;
- you must then determine whether there has been a misrepresentation and what damage may have ensued.

Important points to include

- Two months is a relatively short time to establish goodwill but the publicity surrounding his TV appearance would help to establish it.
- His goodwill would be attached to the name, get-up and the song but are they distinctive enough to be protected?
- The name of the sauce: Koconut spelt with a K is not totally descriptive but would this K be obvious to the average consumer?
- The shape of the bottle is part of the get-up but is it too descriptive?
- Would the distinctive spelling of the sauce be recognised in the song which would be heard rather than seen?
- Will the customers have been deceived (confused) by any misrepresentation?
- Look at the use made of the sauce, on all savoury dishes in comparison to burgers only. Is there a common field of activity?
- The Koconut sauce is sold in supermarkets but not Betty's Bar so would there be confusion at point of sale?
- Betty's Burger Bar has a reputation for home-made produce.
- The spelling of her sauce is purely descriptive.
- Customers will see the spelling in a written form rather than hear it sung.
- Betty is serving the sauce in her bar and selling via the internet rather than in a supermarket.
- She has registered the domain name but is using it in the furtherance of her own business rather than as an instrument of deception.
- What damage do you think Mr Raz has suffered or could suffer? Damage does not have to be lost sales but could be damage to reputation or even exposure to litigation. (Health and safety is important with food.)



Make your answer stand out

Make your reader aware that passing off cannot be used to prevent competition. It can be used only to prevent the use of another's goodwill to their detriment.

READ TO IMPRESS

Harrold, L. (2006) 'Beyond the well-trodden paths of passing off: the High Court decision in *L'Oreal v Bellure*', 5 EIPR 304.

Moscona, R. (2006) 'The sale of business goodwill and the seller's right to use his own name', 2 EIPR 106.

Scanlan, G. (2003) 'Personality, endorsement and everything – the modern law of passing off', 12 EIPR 563.

Sims, A. (2004) 'Rethinking one in a million', 10 EIPR 442.

NOTES

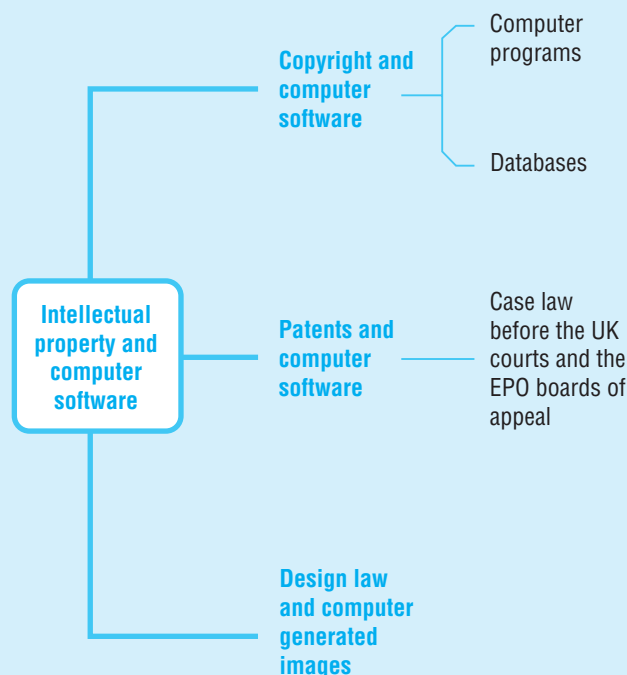
Intellectual property and computer software

Revision checklist

Essential points you should know:

- ☐ The provisions in the Copyright, Designs and Patents Act 1988 protecting computer programs, databases and technological protection measures
- ☐ The framework of protection afforded to databases by the Database Directive and important Court of Justice cases on the scope of that protection
- ☐ Case law on non-textual copying of computer programs
- ☐ Remedies and offences against persons overcoming 'copy-protection measures'
- ☐ The exceptions to the meaning of 'invention' relevant to computer-implemented inventions
- ☐ Approaches to these exceptions by the UK courts and the boards of appeal of the European Patent Office
- ☐ The registrability as designs of software-generated images such as icons and screen displays

■ Topic map



■ Introduction

The rights particularly relevant to computer software are copyright, the database right, patents (in some cases) and design law.

Computer software, and in particular computer programs, has pushed the boundaries of intellectual property law and resulted in numerous legal initiatives. You should be aware of how copyright, patent law and, to a lesser extent, design law apply to computer programs, databases and other works in digital form. Many lecturers like to test these areas which can, at first sight, seem daunting to students. Don't forget that computer programs and databases have immense commercial value. You should not let the technology put you off – it's just that when it comes to computer software, different rules apply. You should bear in mind that copyright has specific provision for protecting computer programs and databases and also protects copy-protection systems in respect of all forms of digital works including film and music. There is also a form of protection for 'right-management information' applied to digital works, such as copyright notices and terms and conditions under which the work can be accessed, downloaded or copied. Whilst copyright embraces computer software under its protection regime, you should contrast this to patent law which seems to exclude computer programs and business methods etc. executed digitally. However, these things may be protected if there is some 'technical effect'. You should note that the case law on this is unsatisfactory and still in a state of flux. As with intellectual property generally, you should always watch for and keep abreast of new developments.

ASSESSMENT ADVICE

Essay questions Essay questions often ask students to consider the relative merits of the copyright and patent systems as a means of protecting computer programs. You should consider the strengths and weaknesses of both systems of protection in the context of computer programs. For example, the fact that copyright does not provide monopoly protection whereas determining the state of the art for computer-implemented inventions is difficult and unpredictable.

Problem questions You may be asked to advise on the non-textual copying of computer programs or the scope of protection of databases by the database right in a particular scenario. In the case of the former, you should notice that there are no specific legislative provisions but important case law such as *Navitaire v easyJet* and *Nova v Mazooma*. In the case of the database right, you should apply the provisions of the Database Directive (or the UK Regulation, although

the Directive is best) and important case law before the Court of Justice such as *British Horseracing Board v William Hill*.

■ Sample question

Could you answer this question? Below is a typical essay question that could arise on this topic. Guidelines on answering the question are included at the end of this chapter, whilst a sample problem question and guidance on tackling it can be found on the companion website.

ESSAY QUESTION

Small and medium-sized enterprises (SMEs) have made outstanding contributions to the development of computer technology in the past but they are ill-served by a patent system which gives disproportionate benefits to large corporations with the financial resources to enable them to obtain and aggressively use their software patent portfolios.

Discuss.

■ Copyright and computer software

All forms of copyright work can exist in digital form and the Copyright, Designs and Patents Act 1988 acknowledges this, for example, by providing that copying includes copying in electronic form and also extends to transient and temporary copies. Protection is also given to technological measures to prevent unauthorised acts in relation to computer programs (in this case called copy-protection) and other forms of works, including databases, have suitable provisions for this. Of particular interest is the protection of computer programs and databases, which may also be protected by a database right.

Computer programs

Computer programs and preparatory design material for computer programs are a form of literary work.

REVISION NOTE

Refer to the basic rules on the subsistence of copyright in Chapter 1.

KEY STATUTE**Section 3(1) Copyright, Designs and Patents Act 1988**

... 'literary work' means any work, other than a dramatic or musical work, which is written, spoken or sung, and accordingly includes –

- (i) a table or compilation (other than a database);
- (ii) a computer program;
- (iii) preparatory design material for a computer program; and
- (iv) a database; ...

For the purposes of copyright a computer program is original in the sense that it is the author's own intellectual creation. The Act simply requires that a computer program is original, unlike the Directive which uses the above formula.

The basic rules on the restricted acts and infringement apply to computer programs as with other forms of literary work but note that there are some special provisions as to what constitutes an adaptation of a computer program and there are some specific permitted acts that apply to computer programs (back-up copies, decompilation, observing, studying and testing and other acts permitted to lawful users). Rules as to ownership are the same as other original works but the nature of the software industry means that many computer programs and other items of software are created by consultants and self-employed persons.

EXAM TIP

Where a work is created by a person who is not an employee creating the work in the course of employment, in the absence of a formal assignment of copyright, the courts sometimes are willing to grant beneficial ownership of copyright to the person who pays for the creation of the work. You should be aware that the software industry is somewhat different in that many consultants and self-employed programmers will wish to reuse programs and parts thereof for other clients. Therefore, where ownership has not been specifically provided for, a court is more likely to grant a non-exclusive licence to allow the client to continue to use the software. Even in this case, bear in mind the position with error correction and/or decompilation under the permitted acts for computer programs.

There are no significant issues with respect to duplicate copying of computer programs but non-textual copying can cause difficulties, such as where an alleged infringer has written a new computer program to emulate the operational and functional aspects of an existing program, sometimes using a completely different computer programming language.

KEY CASE

***Nova Productions Ltd v Mazooma Games Ltd* [2007] RPC 25**

Concerning: non-textual copying of a computer game based on the game of pool

Facts

The defendant created a computer game which had some similar features to the claimant's game such as a 'power cue'. Both games were based on the game of pool with coloured balls and a green baize-covered table with pockets.

Legal principle

There was no infringement. Although there were some similarities, there was no allegation of copying the claimant's program source code. Merely emulating an existing program without more does not infringe. The claim was not sufficiently specific to cover copying of the detailed architecture of the claimant's program and merely amounted to a claim to copying general ideas. Jacob LJ said (at para 55):

'If protection for such general ideas as are relied on here were conferred by the law, copyright would become an instrument of oppression rather than the incentive for creation which it is intended to be. Protection would have moved to cover works merely inspired by others, to ideas themselves.'

This case, as with *Navitaire v easyJet*, shows that general ideas underlying a computer program are not protected by copyright.



Make your answer stand out

In a case on non-textual copying of computer programs, after applying the case law, your answer would attract higher marks if you noted that the denial of protection to general ideas and vague business methods accords with the Directive on the legal protection of computer programs which states that ideas and principles which underlie any element of a computer program are not protected by copyright under the Directive.

Databases

Note that although 'computer program' is not defined in the Act, there is a definition of '**database**' that applies equally to copyright databases and databases protected by the database right even though the two rights are quite different.

KEY DEFINITION: Database

A database is a collection of independent works, data or other materials which are arranged in a systematic or methodical way and are individually accessible by electronic or other means.

Note that databases may be electronic or otherwise. A card index arranged alphabetically would fall within the definition. Also note that the contents need not themselves be works of copyright (data or other materials) but if the contents are protected by copyright or other rights, such rights are not prejudiced by the protection of a database as a database.

**Don't be tempted to...**

Beware! Do not think that, in terms of databases, copyright and database right are similar. The database right is quite different and is referred to as a *sui generis* right in the Directive on the legal protection of databases. Even so, both rights may subsist in the same database. However, copyright protection is based on 'intellectual creation' whereas the database right is based on 'substantial investment'. Furthermore, the rules for the scope, entitlement and infringement of the two rights are quite distinct. There are further differences – make sure you know them.

For the database right to subsist, there must be a substantial investment (in terms of human, technical or financial resources) in the obtaining, verification or presentation of the contents of the database.

KEY CASE

***British Horseracing Board Ltd v William Hill Organisation Ltd* [2004] ECR I-10415**

Concerning: whether the creation of data for inclusion in a database falls within the meaning of 'obtaining'

Facts

The British Horseracing Board maintained a database of racehorses from which lists of runners and riders at horse races were compiled.

Legal principle

The purpose of the Directive was to protect that investment in seeking out and collecting together existing data and not to the act of creating the data.

11 INTELLECTUAL PROPERTY AND COMPUTER SOFTWARE

The repeated and systematic extraction and re-utilisation of insubstantial parts of the contents of a database may infringe the database right where, cumulatively, these acts amount to the extraction and/or re-utilisation of a substantial part of the contents of a database measured qualitatively and/or quantitatively.



Make your answer stand out

Your understanding of the database right will be enhanced significantly by reading articles on the right, in particular those addressing the Court of Justice rulings on the interpretation of the database rights. A good example is Kemp and Gibbons (2006). Before reading such articles, make sure you are familiar with the provisions of the Directive on the legal protection of databases. You will then be equipped to give an impressive answer to essay and problem questions on this important form of intellectual property right.

■ Patents and computer software

Certain things are excluded from the meaning of 'invention' for the purposes of patent law. The list of things is not exhaustive, nor is there any deducible common logic between the things excluded. Computer programs, as such, are excluded as are business methods and mental acts. Where there is a 'technical effect', this may overcome the exception but where a computer program only performs other excluded matter, that will not count as a valid technical effect, for example, in the case of a business method implemented by a computer program.

REVISION NOTE

Refer to the basic rules on patentability in Chapter 5.

KEY STATUTE

Article 52 European Patent Convention

- (1) European patents shall be granted for any inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible of industrial application.
- (2) The following in particular shall not be regarded as inventions within the meaning of paragraph 1:
 - (a) discoveries, scientific theories and mathematical methods;
 - (b) aesthetic creations;

- (c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers;
 - (d) presentations of information.
- (3) Paragraph 2 shall exclude the patentability of the subject matter or activities referred to therein only to the extent to which a European patent application or European patent relates to such subject matter or activities as such.

EXAM TIP

Make sure you know which provisions of the European Patent Convention should be equivalent to those in the Patents Act 1977. For example, Article 52(2) and (3) is intended to be equivalent to section 1(2) of the Act. Where you are dealing with such provisions (as is the case with Directives) it is often preferable to go straight to the text of the Convention (or Directive), as senior judges do.

Case law before the UK courts and the EPO boards of appeal

There is some divergence between the Court of Appeal and the EPO boards of appeal which have modified their approach to the exclusions since the landmark case of *Vicom*, which itself was followed by the Court of Appeal soon after in cases such as *Fujitsu*. Because of the doctrine of *stare decisis*, the Court of Appeal cannot depart from its own previous decisions unless there is a Supreme Court case on the matter or legislative action is taken.

KEY CASE

***Aerotel/Macrossan Patent Application* [2006] EWHC 705, CA**

Concerning: the exclusion from patentability of business methods and computer programs

Facts

This involved two joined cases. Aerotel succeeded in their application regarding a new telephone system where a pre-payment code could be used to make a call from any telephone to the company's exchange, while Macrossan's application failed having been held to be a method of doing business. It merely programmed a machine to ask appropriate questions in order to decide which documents should be used to incorporate a company.



Legal principle

To decide if this was excluded subject matter, being a computer program or business method ‘as such’, one must: (1) properly construe the claim; (2) identify the actual contribution (what has the inventor really added to human knowledge?); (3) ask whether it falls solely within the excluded subject matter; (4) check whether the actual or alleged contribution is actually technical in nature. The presence of a technical effect is only to be considered if the invention has passed the first three steps.

The Court of Appeal noted that it was bound by previous Court of Appeal decisions which appear to be narrower than the approach now taken by the EPO boards of appeal. However, subsequently, Lord Neuberger, sitting in the Court of Appeal, has suggested that a further exception to *stare decisis* might apply where there is a clear decision of the EPO which conflicts with prior UK case law.

KEY CASE

Hitachi/Auction method [2004] EPOR 548, EPO

Concerning: whether a computer-implemented method of auctioning was patentable

Facts

The problem solved by the alleged invention concerned delays in submitting bids due to the vagaries and nature of electronic transmission. The solution was to use a Dutch auction method where bidders submitted two bids: their desired bid and maximum bid. After bidding is finished, the result was calculated by setting a price and successively lowering it until the highest desired bid was reached. If there was more than one at the same highest desired bid, the price was automatically increased until the highest maximum price was left from those tying with the same highest desired bids.

Legal principle

A ‘non-invention’ as such under Article 52(2) would be something which was a purely abstract concept devoid of any technical implications. Consequently, anything performed by a programmed computer (whether claimed in that way, as an entity, or the activity performed by it, has a technical character and is an invention not excluded by Article 52(2)). The Board of Appeal said at para 4.6:

‘... [this] will include activities which are so familiar that their technical character tends to be overlooked, such as the act of writing, using pen and paper.’

Of course, and as the board of appeal pointed out, this does not mean that all methods using technical means are patentable. They still have to satisfy the other requirements of novelty, inventive step and being capable of industrial application.

■ Design law and computer-generated images

Before the harmonisation of registered design law in Europe and the introduction of the Community design, it was almost impossible to register computer graphics as designs in the UK. Exceptions were few and far between such as icons hardwired into a device such as a watch that were permanently displayed. The definition of ‘design’ and ‘product’ under the harmonising Directive and the Community Design Regulation changed this.

KEY STATUTE

Article 3(a) and (b) of the Community Design Regulation (Article 1(a) and (b) of the Directive on the legal protection of designs)

- (a) ‘design’ means the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation;
- (b) ‘product’ means any industrial or handicraft item, including *inter alia* parts intended to be assembled into a complex product, packaging, get-up, graphic symbols and typographic typefaces, but excluding computer programs;

Although computer programs are expressly excluded, this does not extend to symbols and images generated by computer programs. Also, fonts, being typographical typefaces, are capable of protection. Of course, don’t forget that the design itself must be novel and have individual character to be protected.

REVISION NOTE

Refer to Chapter 7 for the meaning of novelty and individual character in relation to designs.

■ Chapter summary: putting it all together

Test yourself

- ☐ Can you tick all the points from the **revision checklist** at the beginning of this chapter?
- ☐ Attempt the **sample question** from the beginning of this chapter using the answer guidelines below.
- ☐ Go to the **companion website** to access more revision support online, including interactive quizzes, sample questions with answer guidelines, 'you be the marker' exercises, flashcards and podcasts you can download.

Answer guidelines

See the essay question at the start of the chapter.

Approaching the question

- Think about the requirements for patentability.
- Consider the test for novelty (the state of the art) and how the state of the art is assessed.
- Reflect on the procedure to obtain a patent, the timescale and cost involved.
- Note that, whilst a patent gives monopoly protection, patent litigation is notoriously expensive.

Important points to include

- Review the nature of patent rights and the procedure to obtain a patent in the UK, Europe and elsewhere.
- Consider the pros and cons of the patent system.
- Look at the patent system from the perspective of a large multinational company – for example, giving powerful monopoly protection.
- Examine the particular disadvantages of the patent system for SMEs, such as cost, the long time taken before grant, the difficulties in enforcing patents and the vagaries and expense of patent litigation.

- Note that a particular difficulty in the context of computer-implemented inventions is that the state of the art is far from being well defined, unlike some areas such as pharmaceuticals where patent specifications and academic journals provide a fairly accurate picture of the state of the art. This is unlike the software industry which is vast and where only a small proportion of innovations are patented or written up in journals. A patented computer-implemented invention may be attacked on the basis of some obscure or little known software.
- Some patented inventions in the field of software are very wide in scope, particularly in jurisdictions such as the United States and are owned by 'patent trolls' used to threaten software companies. SMEs may be tempted to pay a licence fee rather than risk challenging such patents.
- An SME may find its patents challenged by a large corporation with deep-pockets in a number of different countries, giving potential exposure to immense legal costs.



Make your answer stand out

It would be helpful to make suggestions as to how the problems of patenting for SMEs in the software industry could be eased, for example, by adopting a petty patent or utility model scheme as exists in some countries and was proposed by the European Community some years ago. Also discuss the fact that copyright protection is available but this protection does not prevent third parties writing similar software provided they do not copy the source code or, at least, the architecture or structure of the software at a fairly detailed level.

READ TO IMPRESS

Bainbridge, D.I. (2006) 'The registration as designs of computer icons, graphical user interfaces and webpages', 22 CLSR 218.

Bakels, R.B. (2009) 'Software patentability: what are the right questions?', 31(10) EIPR 514.

Kemp, R. and Gibbons, C. (2006) 'Database right after *BHB v William Hill*: enact and repent at leisure', 22 CLSR 493.

Ng, E.S.K. (2009) 'Patent trolling: innovation at risk', 31(12) EIPR 593.

NOTES

And finally, before the exam . . .

You now understand that copyright is a statutory right given to an author of an original work. The work has not been copied from another but has been fixed in a tangible form. Copyright prevents others from copying, communicating the work to the public or taking other commercial advantage of the expression of the author's idea to the detriment of the author. You know that moral rights exist but they are quite limited. You understand that secondary infringement is not copying the work but commercially exploiting it by importation, sale etc. You are aware of defences and remedies and the position of employees who create works in the course of their employment.

You now understand the importance of confidentiality, when and why information will be regarded as confidential and who will be bound by it. You understand that a non-disclosure agreement is vital if discussing secret information or trade secrets and, indeed, you now know what a trade secret is.

You have an appreciation of the requirements for patentability of an innovative idea. You understand that there is a requirement that any innovation be new, non-obvious and of industrial application and how to determine whether these requirements are met. You are familiar with the attributes of the fictional skilled man in the art. You have knowledge of any exclusions to patentability and why they have been included in the statute. You know who is entitled to ownership of a patent and how a patent is infringed. You are familiar with the remedies for infringement and any defences available to the 'infringer'.

By the end of your course you can distinguish the different types of Community, UK-registered and non-registered designs rights. You can analyse their similarities and differences. You know the definitions of design, products, complex product, novelty and individual character. You are familiar with exceptions such as must-fit and must-match and can discuss what is commonplace and what an immaterial difference

AND FINALLY, BEFORE THE EXAM ...

is. You know what qualifies for design protection and when and how a design will be infringed.

You understand that a registered trade mark is a sign and that its purpose is to distinguish the goods or services of the proprietor from those of other undertakings. You know that a trade mark must be represented graphically, causing problems with the registration of sounds, colours and most of all smells. You know that some marks are inherently unregistrable and others will not be registered if consumers will confuse them with identical or similar existing marks. You know how to assess whether that confusion might occur and how the consumers will perceive the marks. You are aware that some marks with a reputation are treated differently. Even if no confusion is likely to arise, as the goods sold under the mark are dissimilar, its use on another's good or services may be prevented. But only if there is some unfair advantage being taken of its use. You recognise when a mark can be used, to compare the goods of one undertaking to those of another, because it is your own name or because you are using it in a descriptive rather than a trade mark sense. You are also familiar with the common law tort of passing off and the requirements of goodwill, misrepresentation and damage. You can explain the issue of a common field of activity and whether it is still a useful concept. You are also aware of inverse passing off and post-sale confusion.

You have become familiar with the different protections available to computer programs and databases. You are aware of technological protection measures, relevant offences and what remedies are available. You understand the cases associated with non-textual copying of computer programs and the different approaches taken to the protection of computer programs by the UK and European courts.

You have a great deal of knowledge in your head. However, how well you do in the exam is not just about having knowledge; it is about what you do with it. You must be so familiar with the law that you are not wasting energy in the exam worrying about remembering things. If you use this book effectively the law will be there at your fingertips. In the exam you should be free to focus all your strength into structuring the best possible answer to the question that you have been asked. Make sure you understand the arguments made by the authors in your reading and ensure that they have become part of your knowledge just as much as the relevant legislation and case law has. Once the foundations of knowledge are in place you are left free to answer any question thrown at you with insight. A pleasurable experience!

Test yourself

- ☐ Look at the **revision checklists** at the start of each chapter. Are you happy that you can now tick them all? If not, go back to the particular chapter and work through the material again. If you are still struggling, seek help from your tutor.
- ☐ Go to the **companion website** and revisit the online resources.
 - ☐ Take the full **study plan** test to assess your knowledge in all areas.
 - ☐ Try the **practice quizzes** and see if you can score full marks for each chapter.
 - ☐ Attempt to answer the **sample questions** for each chapter within the time limit.
 - ☐ Use the **flashcards** to test your recall of the legal principles of the cases and statutes you've revised and the definitions of important terms.
 - ☐ See if you can spot the strengths and weaknesses of the sample answers in '**you be the marker**'.
 - ☐ Listen to the **podcast** and then attempt the question it discusses.
- ☐ Make sure you understand situations where more than one IP right might exist and where the rights are mutually exclusive.
- ☐ Ensure you have followed the guidelines provided for you by your lecturer and have taken the approach to the topics appropriate for your particular course.

■ Linking it all up

Check where there are overlaps between subject areas. (You may want to review the 'revision note' boxes throughout this book.) Make a careful note of these as knowing how one topic may lead into another can increase your marks significantly. Here are some examples:

- ✓ There is often an overlap between copyright, especially works of artistic craftsmanship and both registered and unregistered design right.
- ✓ Privacy and the defence of public interest in relation to copyright and confidential information involve similar issues and may be the subject of an essay question.

AND FINALLY, BEFORE THE EXAM ...

- ✓ The requirement that something must be new and not part of the state of the art in order to be patented requires awareness of confidential information. The need for a non-disclosure agreement before discussing an innovation prior to filing is a necessary part of any advice on patentability.
- ✓ There may be copyright or design rights in a trade mark. This could be part of a problem question if the artistic work has been commissioned.
- ✓ Passing off and trade mark are often interchangeable but the law is different and must be discussed separately.
- ✓ Computer programs may be protected by both copyright and patent but an essay question may well ask you to discuss which is the more appropriate form of protection.

■ Sample question

Below is a problem question that incorporates overlapping areas of the law. See if you can answer this question drawing upon your knowledge of the whole subject area. Guidelines on answering this question are included at the end of this section.

PROBLEM QUESTION

Imagine that you are sitting in a newly designed aeroplane on a flight to New York. You are watching an in-flight movie which is a remake of an old classic. You have the well-known WOOOSH drink in your hand and the free in-flight magazine *GO* in your lap. Your seat is like no other aeroplane seat you have ever seen and is apparently the safest seat available as it is highly energy absorbing.

Discuss, using relevant statutory and case law, the intellectual property rights that you may have encountered on your journey.

Answer guidelines

Approaching the question

First make a plan. Make sure that you identify as many relevant IP rights as possible. You will get more marks for addressing *all* of the issues adequately than one or two of the issues very well. You want your reader to understand that you have a solid understanding of intellectual property rights.

Important points to include

- The aeroplane is newly designed so there may be design rights here. The look of aspects of the aeroplane may be protected. You should explain about novelty and individual character, products, complex products, and the exceptions.
- Your in-flight movie is likely to have copyright protection. However, it is a remake, so explain originality. If only an idea is taken, and a film is remade, there is no infringement of the film itself (*Norowzian v Arks*). You should also point out that the soundtrack is part of the film.
- The name of your drink could be a registered or unregistered trade mark. It is a well-known brand so there is potential for goodwill to exist for the purposes of passing off. The name WOOSH would certainly pass the first hurdle for registration for section 3 TMA as it is not descriptive or laudatory. As the brand is well known it may have reached the status of a mark with a reputation for section 5(3) TMA. To determine this you should discuss *General Motors v Yplon*.
- The magazine will have copyright in the articles and the photographs and a separate copyright in the typography. There will be no copyright in the name of the magazine, as names are not regarded as literary works.
- The chair could be a patentable product and so the criterion for patentability should be discussed. There may also be design rights available for the look rather than the function of the chair.



Make your answer stand out

This is an international flight. Point out that not all these rights may be registered in the UK or, in the case of passing off, have goodwill in the UK.

AND FINALLY, BEFORE THE EXAM ...

NOTES

Glossary of terms

The glossary is divided into two parts: key definitions and other useful terms. The key definitions can be found within the chapter in which they occur, as well as here, below. These definitions are the essential terms that you must know and understand in order to prepare for an exam. The additional list of terms provides further definitions of useful terms and phrases which will also help you answer examination and coursework questions effectively. These terms are highlighted in the text as they occur but the definition can only be found here.

■ Key definitions

Authorise	In relation to copyright infringement authorise means the grant or purported grant to a third person of the right to do the act complained of
Average consumer	For trade marks, the average consumer is taken to be a consumer of the goods concerned who is reasonably well informed, reasonably observant and circumspect
Bad faith	In relation to trade marks, bad faith is behaviour falling short of acceptable standards of commercial behaviour
Commonplace	Definitions include: '... any design which is trite, trivial, common-or-garden, hackneyed or of the type which would excite no peculiar attention in those in the relevant art is likely to be commonplace' 'What really matters is what prior designs the experts are able to identify and how much those designs are shown to be current in the thinking of designers in the field at the time of creation of the design in question'
Community design	A Community design has a unitary character and has equal effect throughout the Community: it may only be registered, transferred, surrendered, declared invalid or its use prohibited in relation to the entire Community

GLOSSARY OF TERMS

Comparative advertising	The use of a competitor's trade mark to highlight the comparative advantage of one's own rival goods or services
Database	A database is a collection of independent works, data or other materials which are arranged in a systematic or methodical way and are individually accessible by electronic or other means
Descriptive mark	A descriptive mark describes the goods or services in question and so cannot distinguish the goods or services of one trader from those of another for it is applicable to all such goods
Distinctive mark	A mark that is distinctive is capable of distinguishing the goods of one trader from those of another
Goodwill	Goodwill is the attractive force attached to the name, get-up or logo which brings in custom
Groundless threats	No matter how ambiguous or indecisive, a communication will be regarded as a threat if understood by the ordinary recipient of the communication to be a threat to bring infringement proceedings
Identical marks (when trade marks are identical)	The average, reasonably well-informed, observant and circumspect customer assessing the mark globally may not notice the addition of a hyphen or an apostrophe especially when they are apart but would notice the inclusion of an extra word, if the word would not go unnoticed by the average consumer
Injunction	An order of the court which prohibits the commencement or continuance of an act or requires a person to perform an act
Inverse passing off	Inverse passing off occurs where the defendant falsely claims that the claimant's goods or services are actually made or provided by the defendant
Joint authorship	A work is a work of joint authorship if it is a collaborative work where the contribution of each of the authors is not distinct
Misrepresentation	A misrepresentation is a false description made consciously or unconsciously by the defendant. Such representation can be implied by the use of a mark, trade name or get-up with which the goods of the claimant are associated in the minds of a substantial number of ordinary, sensible members of the public who have been or are likely to be misled due to the representation
Original	A work is original for copyright purposes if it has originated from the author and has not been copied for another work

	(note that for computer programs and databases, the work is original only if it is the author's own intellectual creation)
Passing off	Passing off is an attempt by trader B to take advantage of the goodwill established by trader A, to the detriment of trader A
Patent infringement	Infringement occurs if a validly patented product or process is exploited within the UK without the patentee's consent and with no defence available
Person skilled in the art	See Skilled person
Post-sale confusion	Post-sale confusion is where the misrepresentation comes after the goods have been purchased
Private information	Information or conduct, the disclosure of which would be highly offensive to a reasonable person of ordinary sensibilities
Purposive approach	The purposive approach looks at the purpose or reason for making the claim
Similar goods or services	Goods or services are similar if they are in competition; if the consumer would buy one instead of the other
Skilled person	An unimaginative person, or team of uninventive people, with the common general knowledge available to a person in the field at the date of filing, who will only think the obvious and will not question general assumptions
Trade marks – fundamental attributes	A mark will only be registered as a trade mark if it is a sign, if it can be represented graphically and if it is capable of distinguishing one trader's goods or services from those of another
Trade secret	A trade secret is information that would cause real harm if it were disclosed to a competitor and the owner had limited the dissemination of the information

■ Other useful terms

Artists' resale right	The right of an author of an artistic work to a royalty on subsequent public resale of his work
Assignment	Transfer of ownership of an intellectual property right, such as copyright or a patent
Author	Generally, for the original works of copyright, the author is the person who creates it

Beneficial ownership	This applies typically to overcome a failure to properly provide for ownership, for example, by means of an express assignment of a right, so that the person who has paid for the creation of a work is given the right to use it under equity notwithstanding that the creator remains the owner at law
European Economic Area (EEA)	The Member States of the EC, Iceland, Liechtenstein and Norway
Exhaustion of rights	The owner of an intellectual property right which relates to goods or articles which have been put into circulation by him or with his consent anywhere within the European Economic Area cannot exercise that right to prevent the subsequent import, export or sale of those particular goods or articles and his right is said to be exhausted
Informed user	For design law, the informed user has experience of similar products and will be reasonably discriminatory and able to appreciate sufficient detail to decide whether or not the design under consideration creates a different overall impression, taking account of the degree of design freedom, if any
Permitted acts	Acts expressly permitted under the Copyright, Designs and Patents Act 1988 in relation to a copyright work that might otherwise infringe the copyright
Priority date	The date of filing a patent application or the date of filing an application for the same invention elsewhere during the previous 12 months and for which priority is claimed by the applicant
Royalty	A payment mechanism to allow another person or persons to exploit an intellectual property right, normally calculated on a percentage of the income derived from sales of works, goods or articles subject to the right
State of the art	In relation to an invention, it means all matter made available to the public at its priority date by means of written or oral description, by use or in any other way, whether in the UK or elsewhere

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